



LIFESTYLE DELIVERY SYSTEMS INC.

**FORM 2A
ANNUAL LISTING STATEMENT**

Dated: January 25, 2018

TABLE OF CONTENTS

1.	GENERAL MATTERS	2
2.	CORPORATE STRUCTURE.....	3
3.	GENERAL DEVELOPMENT OF THE BUSINESS.....	3
4.	NARRATIVE DESCRIPTION OF THE BUSINESS	7
5.	SELECTED CONSOLIDATED FINANCIAL INFORMATION.....	13
6.	MANAGEMENT’S DISCUSSION AND ANALYSIS.....	14
7.	MARKET FOR SECURITIES	14
8.	CONSOLIDATED CAPITALIZATION.....	14
9.	OPTIONS TO PURCHASE SECURITIES.....	17
10.	DESCRIPTION OF THE ISSUER’S SECURITIES.....	17
11.	ESCROWED SECURITIES.....	18
12.	PRINCIPAL SHAREHOLDERS.....	19
13.	DIRECTORS AND OFFICERS OF THE ISSUER.....	19
14.	CAPITALIZATION.....	22
15.	EXECUTIVE COMPENSATION	24
16.	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	24
17.	RISK FACTORS.....	24
18.	PROMOTERS.....	31
19.	LEGAL PROCEEDINGS	32
20.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	32
21.	AUDITORS, TRANSFER AGENTS AND REGISTRARS	33
22.	MATERIAL CONTRACTS	34
23.	INTEREST OF EXPERTS	35
24.	OTHER MATERIAL FACTS	35

GLOSSARY

“**Affiliate**” means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of a company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of a company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

“**Associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**Canna**” means Canna Delivery Systems Inc.;

“**Canna Shareholders**” means the former shareholders of Canna Delivery Systems Inc.;

“**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Computershare**” means Computershare Investor Services Inc.;

“**IFRS**” means the International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

“**Issuer**” or “**Lifestyle**” means Lifestyle Delivery Systems Inc.;

“**Kariana**” means Kariana Resources Inc., the predecessor of Lifestyle Delivery Systems Inc.;

“**Annual Listing Statement**” means this annual listing statement;

“**MD&A**” means management’s discussion and analysis;

“**Performance Shares**” means the aggregate of 7,800,000 common shares of Lifestyle issued to the Shareholders of Canna Delivery Systems Inc. in connection with the Acquisition;

“**Person**” means a Company or individual;

FORWARD LOOKING STATEMENTS

This Annual Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (a) the expectations regarding the Issuer’s ability to raise capital, (b) the intention to grow the business and operations of the Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Issuer to obtain necessary financing; the economy generally; obtaining requisite licenses or governmental approvals to conduct business; consumer interest in the products of the Issuer; competition; and anticipated and unanticipated costs. These forward-looking statements should not be relied upon as representing the

Issuer's views as of any date subsequent to the date of this Annual Listing Statement. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer. Additional factors are noted under "Risk Factors" in this Annual Listing Statement. The forward-looking statements contained in this Annual Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Annual Listing Statement are made as of the date of this Annual Listing Statement and the Issuer undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

GENERAL MATTERS

Any market data or industry forecasts used in this Annual Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although the Issuer believes these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.

Statistical information included in this Annual Listing Statement and other data relating to the industry in which the Issuer operates is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

CORPORATE STRUCTURE

The head office of Lifestyle Delivery Systems Inc. (“**Lifestyle**”, or the “**Issuer**”) is located at Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4 and its registered office address is at Suite 704 – 595 Howe Street, Vancouver, BC V6C 2T5.

Lifestyle was incorporated on September 14, 2010, under the BCBCA. The Issuer’s principal business activity is manufacturing of cannabis-infused strips (“CannaStripsTM”) similar to breath strips, based on the proprietary technology, that produces a safer, healthier alternative to smoking, as well as providing a new way to accurately meter the dosage and assure the purity of the product. In addition, with the entering into management services agreements with NHMC and CSPA, the Issuer is directly involved in the growing of medicinal ingredients for, and the manufacturing of, its products. The Issuer’s business strategy is centered around the creation of a vertically integrated process which ensures that from seed to sale the ingredients are tested for quality and composition throughout the formulation and production processes, resulting in a safe, consistent and effective delivery system.

The Issuer’s shares trade on the Canadian Securities Exchange under the trading symbol “LDS”, on OTC Link alternative trading system under the trading symbol “LDSYF”, and on the Boerse Frankfurt Exchange under the symbol “LD6, WKN: A14XHT”.

As of the date of the filing of this Annual Listing Statement, Lifestyle has the following subsidiaries:

	Jurisdiction of Incorporation	% of Interest
Canna Delivery Systems Inc.	Nevada	100%
LDS Agrotech Inc.	Nevada	75%
LDS Scientific Inc.	Nevada	75%
Optimus Prime Design Corp.	British Columbia	100%
0994540 B.C. Ltd.	British Columbia	95%
Adelanto Agricultural Advisors Inc.	California	100%
Lifestyle Capital Corporation	California	100%
LDS Development Corporation	California	100%

GENERAL DEVELOPMENT OF THE BUSINESS

On March 20, 2015, Lifestyle’s predecessor, Kariana, entered into a share exchange agreement (the “**Acquisition Agreement**”) with Canna Delivery Systems Inc. (“**Canna**”) and the shareholders of Canna (the “**Canna Shareholders**”), pursuant to which Kariana agreed to purchase and the Canna Shareholders agreed to sell all of the issued and outstanding shares of Canna (the “**Acquisition**”).

As consideration for the Acquisition, on May 1, 2015 (the “Closing Date”), Kariana issued to the Canna Shareholders, 7,800,000 shares of the Issuer (the “**Performance Shares**”) at a deemed price of \$0.15 per share. The Performance Shares were issued in escrow on the Closing Date and are being released from escrow upon Lifestyle achieving certain financial milestones (the “**Milestones**”). On April 30, 2017, the Issuer extended the period eligible for release of the shares based on the achievement of the Milestones from the original 24 months to 30 months. On November 3, 2017, the eligibility period was further extended to December 31, 2017 and on December 28, 2017, the eligibility period was further extended to June 30, 2018.

Milestone	Number of Shares to be released
USD \$50,000 in cumulative gross revenues	1,500,000 (released)
USD \$200,000 in cumulative gross revenues	2,100,000 (released)
USD \$600,000 in cumulative gross revenues	2,100,000 (released)
USD \$1,000,000 in cumulative gross revenues	2,100,000

In the event that the Milestones are not achieved by June 30, 2018, any Performance Shares remaining in escrow will have to be returned to treasury for cancellation.

The Issuer incurred \$80,398 in costs associated with the Acquisition, and agreed to issue 648,333 shares of the Issuer with an estimated fair value of \$67,344 in finder’s fees as follows:

	Number of shares to be issued
At the Closing Date	83,333 (issued)
USD \$50,000 in cumulative gross revenues	141,667 (issued)
USD \$200,000 in cumulative gross revenues	157,500 (issued)
USD \$600,000 in cumulative gross revenues	157,500 (issued)
USD \$1,000,000 in cumulative gross revenues	108,333

In November 2016, the Issuer entered into a provisional patent license agreement with an entity controlled by the Issuer's Chief Science Officer (the "CSO"), Dr. Sanderson, to acquire a world-wide, exclusive, royalty-free license to use a patent-pending method developed by Dr. Sanderson, which allows for improved delivery of biological molecules through mucous membranes, which can target specific processes in the body. In May 2017, the original license agreement was amended and superseded by a revised license agreement (the "License Agreement"). Under the terms of the License Agreement, the Issuer agreed to issue to Dr. Sanderson 1,000,000 common shares of the Issuer in exchange for the license rights, and a further 1,000,000 common shares upon the granting of a patent by the U.S. Patent and Trademark Office for the process developed by Dr. Sanderson. The licensing of this technology from Dr. Sanderson allowed the Issuer to further refine its CannaStrips™ formula.

On December 18, 2017, Dr. Sanderson filed an enhanced provisional patent for the CannaStrips™ technology. The new provisional patent filing adds additional enhanced capabilities to the current CannaStrips™ formula, which will be implemented into the 2018 CannaStrips™ product line.

On August 19, 2016, the Issuer entered into a memorandum of understanding (the "Original MOU") with NHMC, Inc. ("NHMC") to set up a joint venture (the "JV") for the development, manufacturing, production, and commercialization of products based on the CannaStrips™ Technology. The JV is being conducted under a conditional use permit (the "CUP"), which was issued by the City of Adelanto, California on October 25, 2016. On October 6, 2016, the Issuer signed an additional letter of intent (the "LOI") with NHMC and CSPA Group Inc. ("CSPA"), which confirmed the intention of the parties to enter into the JV, as contemplated under the Original MOU. CSPA and NHMC are non-profit mutual benefit organizations controlled by the same parties.

Pursuant to the terms set out in the Original MOU, the Issuer agreed to design and retrofit a 20,000 square-foot facility (the "**Adelanto Facility**") located in the City of Adelanto to meet California energy efficiency standards and provide the JV with all equipment necessary to run the operations. The Adelanto Facility, when ready, will house a full manufacturing cycle starting with nursery, cultivation, extraction, distillation, strip coating and, finishing with packaging of the products based on the Issuer's CannaStrips™ technology. The retrofitting of the Adelanto Facility started in late November of 2016 and in September of 2017 the majority of required improvements were completed allowing the Issuer to schedule a required facility inspection.

In preparation for the JV with CSPA and NHMC, in January of 2017 the Issuer incorporated two additional majority-owned subsidiaries, LDS Agrotech Inc. ("LDS Agrotech") and LDS Scientific Inc. ("LDS Scientific"). LDS Agrotech manages the cultivation division under the CUP granted to NHMC and consults on third party projects. The Issuer believes that the third party projects will provide contract revenue and grower relationships to supply bio-mass to CSPA. LDS Scientific manages the extraction and manufacturing division operated pursuant to the CUP granted to CSPA. The Issuer holds 75% of the issued and outstanding shares of each of LDS Agrotech and LDS Scientific and holds options to purchase the remaining shares of each.

On September 13, 2017, the fire department of San Bernardino County completed inspection of the Adelanto Facility, and on September 18, 2017, CSPA received a Certificate of Occupancy. The approval of the Adelanto Facility allowed CSPA to begin extraction and manufacturing operations managed by LDS Scientific.

During the summer of 2017 pursuant to its planned business expansion strategy, the Issuer entered into five separate land purchase agreements to acquire land in close proximity to the Adelanto Facility. The properties vary in size from four to twenty acres, have roads and utilities onsite or within close proximity, and are located in the City of Adelanto Green Zone (or pending designated Green Zone) making them highly valuable as compared to other properties in Southern California's High Desert. On October 4, 2017, the purchase agreement and the underlying escrow agreement to acquire the 20-acre lot were cancelled.

The Issuer plans to use most of the acquired properties to develop cultivation facilities based on a design similar to the current Adelanto Facility. One property, located in close proximity to Highway 395, is anticipated to be developed to include a dispensary and ancillary businesses due to its visibility to over 130,000 vehicles each day.

The above properties were registered in the name of LDS Development Corporation, the Issuer's wholly-owned subsidiary incorporated on July 20, 2017, which will be used to hold, develop and manage all LDS real estate holdings in California.

Trends, Commitments, Events or Uncertainties

United States Regulatory Environment Applicable to the Cannabis Industry

Cannabis is a Schedule I controlled substance under the Federal Controlled Substance Act (the "CSA"). Even in those states, and the District of Columbia, in which the cultivation, manufacture and use of medical or adult-use cannabis has been legalized, the possession, use, cultivation and transfer of cannabis remains a violation of federal law. Federal law criminalizing the use of cannabis preempts state laws legalizing the use of cannabis for medicinal or adult-use purposes and, therefore, strict enforcement of federal law regarding cannabis would severely restrict the ability of Lifestyle to implement its business plan.

The U.S. Department of Justice (the "DOJ") under the Obama administration issued memoranda, including the so-called "Cole Memorandum" issued on August 29, 2013, describing DOJ's priorities for enforcement of federal cannabis prohibitions under the CSA. Generally, the DOJ described the prosecution of individuals and companies engaged in the use, manufacture and distribution of medical cannabis when such individuals or companies were in compliance with state regulatory systems as an inefficient use of federal investigative and prosecutorial resources. The DOJ's position is predicated on state regulatory and enforcement efforts that are effective with respect to certain enumerated federal enforcement priorities under the CSA. In the "Cole Memo," the DOJ advised all federal prosecutors that federal enforcement of the CSA against cannabis-related conduct should be focused on eight priorities, which are the prevention of: (1) distribution of cannabis to minors; (2) diversion of revenue from sale of cannabis to criminal enterprises, gangs and cartels; (3) transfer of cannabis from states where it is legal to states where it is illegal; (4) the use of cannabis activity as a pretext for trafficking in other illegal drugs or engaging in illegal activity; (5) violence or use of firearms in cannabis cultivation and distribution; (6) drugged driving and adverse public health consequences from cannabis use; (7) growth of cannabis on federal lands; and (8) cannabis possession or use on federal property.

In addition, Congress enacted an omnibus spending bill for fiscal year 2016 including a provision prohibiting the DOJ (which includes the Drug Enforcement Administration) from using funds appropriated by that bill to prevent states from implementing their medical-use cannabis laws. This provision was renewed on December 22, 2017; however, it is effective only until January 19, 2018 and must be renewed by Congress in subsequent years. This prohibition must be included in the Senate version of the fiscal year 2018 Commerce, Justice, and Science (CJS) Appropriations bill to remain effective. Currently, only the Senate version of the CJS Appropriations bill includes the prohibition and the House version does not. A final decision is dependent on the outcome of the House-Senate conference committee's final version of the bill. In *USA v. McIntosh*, the United States Circuit Court of Appeals for the Ninth Circuit held that this provision prohibits the DOJ from spending funds from relevant appropriations acts to prosecute individuals who engage in conduct permitted by state medical-use cannabis laws and who strictly comply with such laws. The Ninth Circuit's opinion, which only applies in the states of Alaska, Arizona, California, Hawaii and Idaho, also held that persons who do not strictly comply with all state laws and regulations regarding the distribution, possession and cultivation of medical-use cannabis have engaged in conduct that is unauthorized, and in such instances the U.S. Department of Justice may prosecute those individuals.

Lifestyle does not intend to engage in any of the activities enumerated in the Cole Memo, but federal prosecutors have significant discretion in their interpretation of these priorities. Therefore, no assurance can be given that the federal prosecutor in the judicial district where the Issuer is engaged in its cannabis activity will agree that those activities do not involve the activities enumerated in the Cole Memo. There is also no guarantee that the current administration or future administrations will not revise the federal enforcement priorities enumerated in the Cole Memo or otherwise choose to strictly enforce the federal laws governing cannabis cultivation, manufacturing, distribution or retail sales. Penalties for violation of federal laws related to cannabis-related business could result in prosecution and in the event of conviction, fines or asset forfeiture. In addition, the federal government has in the past seized the assets of cannabis businesses under civil forfeiture statutes.

Political and regulatory risks also exist due to the recent election of Donald Trump to the U.S. presidency, and the appointment of former Senator Jeff Sessions to the post of Attorney General. Mr. Trump's positions regarding marijuana are difficult to discern; however, Attorney General Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the Department of Justice under the new administration might take toward legalization efforts in U.S. states, but federal enforcement of the Controlled Substances Act and other applicable laws is possible.

Despite the legal, regulatory, and political obstacles the marijuana industry currently faces, the industry has continued to grow.

U.S. Federal Laws in Respect of Banking

Under U.S. federal law it may be a violation of federal money laundering statutes for financial institutions to accept the deposit of proceeds from marijuana sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Treasury Department issued a memorandum in February of 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal law.

Under these guidelines, financial institutions must submit a “suspicious activity report” (“SAR”) as required by federal money laundering laws. These marijuana-related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on the financial institution’s belief that the marijuana business follows state law, is operating out of compliance with state law, or where the banking relationship has been terminated. The memorandum also outlines the due diligence required of banks dealing with marijuana-related businesses. The due diligence requirements may act to limit participation by many banks. On April 27, 2017, Rep. Perlmutter introduced H.R. 2215 – the Secure and Fair Enforcement Banking Act of 2017 to grant banks and other financial institutions immunity from federal criminal prosecution for servicing marijuana-related businesses if the underlying marijuana business complies with state law. The bill was referred to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations on September 21, 2017. There can be no assurance that H.R. 2215 will be passed in its current form or at all. In both Canada and the United States, transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape. Legislative changes to help reduce these challenges would eliminate these challenges for companies in the cannabis space, and would improve the efficiency of both significant and minor financial transactions.

California State Laws Applicable to the Medical-Use Cannabis Industry

On June 27, 2017, Governor Jerry Brown signed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) to reconcile the Control, Regulate and Tax Adult Use of Marijuana Act with California’s previous medical marijuana laws. California was the first state to pass medical marijuana in 1996, allowing for a not-for-profit patient/caregiver system, but there was no state licensing authority to oversee businesses that emerged. “Patient/caregiver” system refers to the type of non-commercial medical marijuana laws that were passed from 1996 to 2008. These laws permitted qualified patients to cultivate their own medical marijuana or designate a caregiver to cultivate on behalf of a patient or patients.

MAUCRSA establishes a licensing and regulatory framework for medical marijuana businesses and adult-use marijuana businesses in California. The system has multiple license types for dispensaries, infused products manufacturers, nurseries, cultivation facilities, testing laboratories, transportation companies, and distributors. Licenses will be designated as either “M” for medical marijuana or “A” for adult-use. All transactions involving cannabis, other than dispensary sales, must be conducted between holders of a California license. In addition, “M” licensees may only sell to other “M” licensees or, in the case of an “M” dispensary, to holders of a physician recommendation. Likewise, “A” licensees may only sell to other “A” licensees or, in the case of an “A” Dispensary, to individuals over the age of 21. Edible infused product manufacturers will require either volatile solvent or nonvolatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies will oversee different aspects of the program and businesses will require a state license and local approval to operate. California will begin licensing both medical marijuana businesses and adult-use marijuana business at the state level under MAUCRSA after January 1, 2018.

An applicant under the MAUCRSA must obtain local approval and a state license. The state license approval process is not competitive, and localities are accepting licenses based on timelines within their individual ordinances. Localities may prohibit medical marijuana business or limit the number of licenses offered in their jurisdiction. The Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health released emergency regulations for MAUCRSA on November 16, 2017. Cities and counties across the state are either adopting local licensing and regulations around both medical and adult-use cannabis or modifying their current regulations for consistency with MAUCRSA.

The application process for a state license requires submission of policies and procedures designed to ensure compliance with the emergency regulations. The policies and procedures relate to personnel, safety, security, building design and related matters. The Issuer and its majority-owned subsidiaries, LDS Agrotech and LDS Scientific, are currently analyzing the emergency regulations to identify necessary revisions to its policies and procedures or modifications to facilities managed by LDS Agrotech or LDS Scientific.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Issuer's principal business activity is manufacturing of cannabis-infused strips ("CannaStripsTM") similar to breath strips, based on the proprietary technology, that produces a safer, healthier alternative to smoking, as well as providing a new way to accurately meter the dosage and assure the purity of the product. In addition, with the entering into management services agreements with NHMC and CSPA, the Issuer is directly involved in the growing of medicinal ingredients for, and the manufacturing of, its products. The Issuer's business strategy is centered around the creation of a vertically integrated process which ensures that from seed to sale the ingredients are tested for quality and composition throughout the formulation and production processes, resulting in a safe, consistent and effective delivery system.

As previously discussed in the "*General Development of the Business*" section of this Annual Listing Statement, on May 1, 2017, in an effort to solidify its business relationship with NHMC and CSPA, the Issuer, through LDS Agrotech and LDS Scientific, entered into separate binding definitive agreements with NHMC and CSPA.

LDS Agrotech entered into a management services agreement with NHMC, whereby LDS Agrotech acts as the sole manager of NHMC's medicinal marijuana cultivation operations. Concurrently, LDS Scientific entered into a substantially identical management services agreement with CSPA, whereby LDS Scientific acts as the sole manager of CSPA's medicinal marijuana extraction and manufacturing operations. Under the terms of the management services agreements, LDS Agrotech and LDS Scientific supervises and causes to be performed all functions related to the cultivation, extraction and manufacturing operations of NHMC and CSPA, respectively. LDS Agrotech and LDS Scientific is primarily responsible for advancing the operating costs of those operations, and will be reimbursed for such operating costs out of NHMC's and CSPA's respective revenues. In addition, LDS Agrotech and LDS Scientific will receive management fees equal to 75% of the excess of revenues over operating expenses, as defined in the respective management services agreements, with NHMC and CSPA retaining the remaining 25%. Neither NHMC nor CSPA may disburse funds held by them without the consent of LDS Agrotech or LDS Scientific, respectively. Both the NHMC/LDS Agrotech's cultivation operations and CSPA/LDS Scientific's extraction and manufacturing operations will be operated out of the same indoor Adelanto Facility.

With the receipt of the Certificate of Occupancy by CSPA on September 18, 2017, the Issuer expects to start extraction and manufacturing operations during the 1st quarter of Fiscal 2018. The cultivation wing of the operations will commence upon the receipt of the Certificate of Occupancy by NHMC.

On December 21, 2017, the Manufactured Cannabis Safety Branch of the California Department of Public Health has issued CSPA a Temporary Category M Type 7 Manufacturing with Volatile Solvents License which became effective on January 1, 2018 and will be good through April 30, 2018. During this time, the California Department of Public Health will review CSPA's application and corresponding municipal permits and documentation for a permanent license.

On January 16, 2018, the Mojave Desert Air Quality Management District ("MDAQMD") issued a permit to LDS Scientific, Inc., to operate under the Temporary Category M Type 7 Manufacturing with Volatile Solvents License. The MDAQMD Permit is valid through June 2018, at which time the facility and its operations will be reviewed by MDAQMD. Upon a favorable review the permit can be renewed for one year.

Membership Purchase Agreements with NHMC and CSPA

Concurrent with the execution of the management services agreements, the Issuer entered into separate agreements to purchase the sole outstanding membership interests of each of NHMC and CSPA. The Issuer has agreed to purchase the sole membership interest of each of NHMC and CSPA in exchange for 3,000,000 common shares of the Issuer and US\$1,400,000 in cash, each (for a total of 6,000,000 common shares and US\$2,800,000 in cash). One-third (1/3) of the share consideration and cash purchase price for NHMC will be paid upon the grant of a Certificate of Occupancy for the cultivation wing of the Adelanto Facility, and one-third (1/3) of the share

consideration and cash purchase price for CSPA will be paid upon the grant of a Certificate of Occupancy for the extraction and manufacturing wing of the Adelanto Facility (which Certificate of Occupancy has been issued and which partial share issuances and cash payments have been made). The balance of the purchase price for NHMC and CSPA will be paid in equal annual installments during the two years after the granting of the respective Certificates of Occupancy. The Issuer has the right to accelerate payment of the purchase price for NHMC and CSPA and acquire the outstanding membership interests earlier than scheduled. The agreements provide that if at any time prior to the payment of the full purchase price, NHMC or CSPA breach their respective management services agreements or the provisions of their governing documents, or their respective cultivation and extraction and manufacturing permits are revoked, then the Issuer will have the right to acquire NHMC or CSPA without the payment of any additional consideration.

On September 18, 2017, CSPA received its Certificate of Occupancy; as such, the Company recorded \$1,560,000 associated with fair value of 3,000,000 shares issued as part of the Membership Agreement with CSPA and made a partial cash payment of \$187,575 (US\$150,000).

NHMC has yet to receive its Certificate of Occupancy. Due to the delays in receiving the Certificates of Occupancy by NHMC and CSPA, the Issuer and the parties involved are renegotiating the extension of the escrow agreements, which were originally set to expire on August 31, 2017. As the parties have not reached the final agreements, the shares continue to remain in escrow and no additional payments have been made.

LDS Agrotech and LDS Scientific

As previously discussed in the “*General Development of the Business*” section of this Annual Listing Statement, the Issuer owns a 75% interest in each of LDS Agrotech and LDS Scientific. The remaining 25% of LDS Agrotech is owned by its President, Matt Fergusson, and the remaining 25% of LDS Scientific is owned by its President, Crystal Elrod. Effective May 1, 2017, Mr. Fergusson and Ms. Elrod are employed by LDS Agrotech and LDS Scientific, respectively, at a salary of US\$132,000 and US\$150,000 per year, respectively.

On May 1, 2017, the Issuer entered into separate option and first right of refusal agreements with each of Mr. Fergusson and Ms. Elrod, pursuant to which the Issuer was granted options to purchase the remaining 25% of each of LDS Agrotech and LDS Scientific from Mr. Fergusson and Ms. Elrod, respectively (the “LDS Agrotech Option” and the “LDS Scientific Option”, respectively). The LDS Agrotech Option and the LDS Scientific Option were subsequently amended on July 31, 2017 and August 31, 2017.

To exercise the LDS Agrotech Option and the LDS Scientific Option, the Issuer will be required to:

- (a) issue to Mr. Fergusson and Ms. Elrod, a total of 2,500,000 common shares, each; and
- (b) make the following cash payments to each of Mr. Fergusson and Ms. Elrod:
 - (i) US\$500,000 in cash, if the options are exercised on or before January 31, 2018, per amended LDS Agrotech Option and LDS Scientific Option agreements with Mr. Fergusson and Ms. Elrod), or
 - (ii) US\$1,000,000 in cash, if the options are exercised after January 31, 2018, but on or before January 31, 2019, (the “Option Price”).

The LDS Agrotech Option and the LDS Scientific Option, as amended, may be exercised in whole or in part, with the Option Price being allocated pro rata to the number of shares being purchased. Upon exercise of the LDS Agrotech Option and the LDS Scientific Option, in whole or in part, the Issuer will have the immediate right to vote and receive distributions on the LDS Agrotech and LDS Scientific shares acquired, with the Option Price being payable in five (5) annual installments from the date of exercise. The LDS Agrotech Option and the LDS Scientific Option, as amended, expire on January 31, 2019, after which the Issuer will have a right of first refusal over any proposed sale of the 25% interest in LDS Agrotech held by Mr. Fergusson, and 25% interest in LDS Scientific held by Ms. Elrod expiring January 31, 2022.

Acquisition of Additional Properties in Adelanto, California

As previously discussed in this Annual Listing Statement, pursuant to the Issuer’s planned business expansion strategy Lifestyle entered into five separate land purchase agreements to acquire land in close proximity to the Adelanto Facility.

On June 19, 2017, the Issuer closed on a 10-acre land parcel paying \$663,220 (US\$501,556) in total cash acquisition costs. The 10-acre land parcel is suitable for approximately ten individual 20,000 square foot cultivation facilities, which will form a part of the Issuer’s contract cultivation projects. The Issuer intends to develop these

cultivation facilities based on the design similar to the current Adelanto Facility. Once built, they will be leased to permitted cultivation entities that hold Conditional Use Permits in Adelanto.

On July 21, 2017, the Issuer closed on a 4.25-acre land parcel for a total cash consideration of \$93,900 (US\$74,726). This property is within close proximity of the Issuer's Adelanto Facility and in close proximity to all other development projects the Issuer has planned to date. This parcel will be developed into a commercial office space and the Issuer's main project center. The property is in a gated community with a private air field.

On August 23, 2017, the Issuer closed on a 4-acre land parcel for a total cash consideration of \$137,102 (US\$108,496). This property is intended to be developed into an additional contract grower property suitable for up to five, separate 20,000 square foot cultivation facilities.

On August 24, 2017, the Issuer closed on a 6.5-acre land parcel for a total cash consideration of \$1,035,177 (US\$820,655). This property is strategically located in close proximity from Highway 395 making it visible to over 130,000 vehicles each day. The Issuer intends to develop this site to include a dispensary and ancillary businesses.

In addition to the above acquisitions, the Issuer executed a purchase agreement and deposited \$96,018 (US\$75,000) in escrow to acquire an additional 20-acre land parcel in Adelanto. On October 4, 2017, the purchase agreement and the underlying escrow agreement to acquire the 20-acre lot were cancelled.

The above properties were registered in the name of LDS Development Corporation, the Issuer's wholly-owned subsidiary, and, as of the filing of this Annual Listing Statement, the Issuer is in the process of obtaining approval for the building permits on all acquired land parcels.

License Agreement with Dr. John Sanderson

On May 3, 2017, LDS entered into an exclusive worldwide license agreement with its Chief Science Officer, Dr. John D. Sanderson, and Nanostrips, Inc., a company controlled by Dr. Sanderson (the "Sanderson License Agreement"). Under the terms of the Sanderson License Agreement, the Issuer has been granted a worldwide exclusive license to the technology described in the provisional patent application relating to the transmucosal delivery of biologically active substances filed by Dr. Sanderson on November 6, 2016, and any technologies deriving therefrom, in the field of cannabis and cannabis extract related products. The technology developed by Dr. Sanderson relates to infusing cannabis extracts in thin film oral delivery strips. In consideration for this license, the Issuer has agreed to issue to Dr. Sanderson 1,000,000 common shares, which were issued on May 23, 2017, with an additional 1,000,000 common shares issuable upon the granting of a United States patent containing claims directed to the new and innovative subject matter described in the provisional patent application filed on November 6, 2016. The Sanderson License Agreement extends for a term expiring on the expiration of the last patent issued in relation to the technology licensed by Dr. Sanderson to the Issuer.

CannaStripsTM Trademark Applications

On April 25, 2017, the Issuer filed trademark applications with the Canadian Intellectual Property Office to register the trademarks CANNASTRIPS and CANNASTRIPS SMOKEFREE PAIN RELIEF & Design. The applications were filed on the basis of proposed use of the trademarks in Canada in association with various goods related to the transmucosal delivery of biologically active substances.

In October of 2017, the Issuer filed trademark applications with the European Union and the United Kingdom Intellectual Property Offices to register the trademarks CANNASTRIPS and CANNASTRIPS SMOKEFREE PAIN RELIEF & Design.

The Issuer anticipates to file its trademark applications with the California Secretary of State's Trademark Unit to register the trademarks CANNASTRIPS and CANNASTRIPS SMOKEFREE PAIN RELIEF & Design on the basis of commercial use by the end of January 2018.

Private Placement Financings

On May 31, 2017, the Issuer closed its brokered private placement financing (the "Offering") led by Canaccord Genuity Corp. (the "Agent"), by issuing a total of 14,213,000 units (the "Units") at a price of \$0.50 per Unit (the "Issue Price") for total gross proceeds of \$7,106,500. Each Unit sold in the brokered private placement consisted of one common share of the Issuer (each a "Unit Share") and one common share purchase warrant (each a "Warrant")

entitling the holder to purchase one additional common share (a “Warrant Share”) at a price of \$0.75 per Warrant Share for a period ending on May 31, 2018. The Issuer may accelerate the expiration date of the Warrants if the daily volume weighted average share price of the Issuer’s common shares on the Canadian Securities Exchange (or such other stock exchange as the Issuer’s common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.

In consideration of its services, the Agent received a commission equal to 7.0% of the gross proceeds, paid by issuance of 164,100 Units and \$415,405 in cash. As additional consideration, the Issuer issued to the Agent 994,910 broker warrants (“Broker Warrants”) representing 7.0% of the aggregate number of Units sold under the brokered tranche of the Offering. Each Broker Warrant is exercisable into one Unit at \$0.50 per Unit expiring on May 31, 2018. In addition to the broker fees, the Issuer incurred \$238,189 in legal and regulatory costs associated with the Offering.

Concurrent with the closing of the Offering, the Issuer sold an additional 3,174,776 Units at a price of \$0.50 per Unit in a concurrent non-brokered private placement for total gross proceeds of \$1,587,388. The Units sold in the non-brokered private placement had substantially the same terms as the Units sold as part of the Offering. No commissions or fees were paid in connection with the sale of Units in the non-brokered private placement.

On June 27, 2017, the Issuer closed an additional non-brokered private placement (the “June Offering”) for a total of 2,019,540 units (the “June Units”) at a price of \$0.50 per June Unit (the “June Issue Price”) for total gross proceeds of \$1,009,770. Each June Unit sold in the June Offering consisted of one common share of the Issuer (each a “June Unit Share”) and one common share purchase warrant (each a “June Warrant”) entitling the holder to purchase one additional common share (a “June Warrant Share”) at a price of \$0.75 per June Warrant Share for a period ending on June 27, 2018. The Issuer may accelerate the expiration date of the June Warrants if the daily volume weighted average share price of the Issuer’s common shares on the Canadian Securities Exchange (or such other stock exchange as the Issuer’s common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.

In connection with the June Offering, the Issuer agreed to pay cash commissions of \$26,775 pursuant to the agency agreement entered into as part of the May Offering, of which \$17,150 has been remitted to the Agent and \$9,625 has been accrued; in addition, the Issuer issued 53,550 finder’s warrants to the Agent (the “June Finder’s Warrant”). Each June Finder’s Warrant is exercisable for one June Unit at \$0.50 per June Unit for a period expiring on June 27, 2018.

On January 11, 2018, the Issuer closed a non-brokered private placement (the “January Offering”) for a total of 5,500,000 units (the “January Units”) at a price of \$0.50 per January Unit (the “January Issue Price”) for total gross proceeds of \$2,750,000. Each January Unit sold in the January Offering consisted of one common share of the Issuer (each a “January Unit Share”) and one common share purchase warrant (each a “January Warrant”) entitling the holder to purchase one additional common share (a “January Warrant Share”) at a price of \$0.75 per January Warrant Share for a period ending on January 11, 2019. The Issuer may accelerate the expiration date of the January Warrants if the daily volume weighted average share price of the Issuer’s common shares on the Canadian Securities Exchange (or such other stock exchange as the Issuer’s common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.

Acquisition of Raw Material

On October 16, 2017, CSPA Group received the first batch of raw fresh frozen whole plant material (the “Biomass”) for the purpose of extraction and conversion into medicinal cannabis products. In order to ensure purity of the Biomass, the Biomass was tested by an independent third-party laboratory in Northern California prior to acquisition. The tests showed no trace amounts of pesticides, fungicides, mold or infestation.

Prior to taking the first delivery of the Biomass on behalf of CSPA Group, the LDS Scientific’s team completed the laboratory training of its technicians and lab assistants to ensure compliance with all current and proposed legislation and regulations.

Adoption of Advance Notice Policy

On November 3, 2017, the board of directors of the Issuer approved amendments to the Issuer’s articles to adopt an advance notice policy for the election of directors (the “Advance Notice Policy”).

The Advance Notice Policy is intended to facilitate an orderly and efficient annual and/or special meeting process and ensure that all shareholders receive adequate notice and information about director nominees.

The Advance Notice Policy fixes a deadline by which holders of record of the Issuer's common shares must submit director nominations to the Issuer prior to any annual or special meeting of shareholders, and sets out the information that a shareholder must include in such notice to the Issuer. In the case of an annual meeting of shareholders, notice to the Issuer must be made not less than 30 days nor more than 65 days prior to the date of the annual meeting, unless the annual meeting is to be held less than 40 days after the meeting was first announced, in which case notice may be made no later than the close of business on the 10th day after the announcement.

The Issuer intends to seek shareholder ratification of the Advance Notice Policy at the Issuer's next annual general meeting, which has been scheduled for January 26, 2018. If the Advance Notice Policy is confirmed or confirmed as amended at the meeting, the Advance Notice Policy will continue in effect in the form in which it is so confirmed.

Five Hundred Thousand Dollar Secured Credit Facility

On November 13, 2017, the Issuer arranged a US\$500,000 secured credit facility (the "Credit Facility") with an unrelated third party creditor. Outstanding principal under the Credit Facility accrues interest at a rate of 3% per month, compounded monthly and payable on maturity on May 16, 2018. The Issuer may prepay the Credit Facility at any time, subject to the payment of \$50,000 in minimum interest. The Credit Facility is secured by a general security agreement covering all of the Issuer's personal property, and first deeds of trust on three parcels of unimproved real property totaling 20.5 acres owned by LDS Development Corporation in the City of Adelanto, San Bernardino County, California.

The Credit Facility will allow the Issuer to purchase additional raw material to facilitate production in the fourth quarter of 2017 without drawing on its development funds. In the opinion of the Issuer, the current fall outdoor harvest will represent approximately 80% of the available cannabis production in California until spring 2018. Due to the expected scarcity of clean raw material, in light of the expected testing requirements imposed by the state of California starting on January 1, 2018, the price to acquire additional raw material in December and January may more than double the current outdoor price.

Development of a new 202,500 Square Foot Permitted Cultivation Facility

On November 16, 2017, the Issuer submitted plans for a cultivation facility to the city of Adelanto planning department. The new facility is to be developed on the Issuer's ten acre parcel acquired in summer of 2017. The proposed 202,500 square foot cultivation facility is designed to be an environmentally-controlled hybrid greenhouse for growing cannabis plants from seedlings grown in the Adelanto Facility by a nursery managed by Adelanto Agricultural Advisors team. The Issuer plans to subdivide the facility which will be leased to permitted and licensed cultivation entities that meet the Company's strict requirements.

Overview of the Industry

The cannabis industry is a fragmented, disjointed \$45 billion industry. Arcview Market Research projects that the \$6.7 billion U.S. cannabis industry in 2016 will triple in size by 2021.¹ The Canadian cannabis industry is considered to be very straightforward when it comes to licensing, but the U.S. and specifically California's market, where the Issuer's operations are being centered, is somewhat more complicated. With recreational legalization expected in California on January 1, 2018, the state and various municipalities have been adjusting their rules and regulations to ensure that the products are safe and effective for consumers, and Adelanto has so far been the only California municipality to permit medical marijuana growing on an industrial scale.

The expected growth rates and acceptance of oils and edibles by a much larger percentage of the population indicates that cannabis extracts could see the greatest revenue and profitability compared to marijuana flower products. Fully-integrated businesses that grow and process cannabis flower into cannabis oils, edibles, and other products are expected to experience the greater growth rates.

¹ Troy Dayton, "Budding business: Americans drawn to weed's market potential," *Yahoo News Digest*, April 19, 2017, <http://yahoonewsdigest-us.tumblr.com/post/159765066134/budding-business-americans-drawn-to-weeds-market> (accessed October 8, 2017).

With new regulations being introduced by the State of California and being proactively mirrored by the City of Adelanto, only those companies that have been adhering to all proposed state laws will be able to smoothly transition into the realm of legalization. The Issuer's primary objective has been to carefully structure its operations and build out its Adelanto Facility with new regulations in mind ensuring dependable quality standards and their consistent implementation from seed to sale. The Issuer believes this approach has given the Issuer a competitive advantage over its current competitors.

Market Plans and Strategies

The Issuer's business model is based on providing technical consulting support in the construction, equipping and management of cannabis nursery, cultivation and manufacturing facilities, as well as licensing its intellectual property related to nursery, cultivation and manufacturing operations, as well as the distribution and marketing of cannabis products. This includes licensing the CannaStrips™ technology to licensees in the United States in states where the medicinal or recreational use of cannabis is legal and in Canada. The current licensees, CSPA and NHMC, are located in the Southern California market. The selected market was chosen for its regulatory system permitting operation of a nursery, cultivators, transporters, distributors and dispensaries. The Issuer may grant additional licenses in Northern California, as well as the states of Washington, Colorado, Oregon and Alaska. As of the date of this Annual Listing Statement, the Issuer is in negotiations with a potential licensee located in British Columbia, Canada.

The Issuer's first growth target is limited to California for logistical reasons. This strategy permits the Issuer to easily train, manage and support each managed entity and each licensee. The Issuer has contracted with entities holding, or applying for, nursery permits, cultivation permits, manufacturing permits, distribution permits and dispensary permits in order to maintain and ensure quality standards from seed to final product. This structure also provides the issuer with a continuous supply chain, from seed to final product, ensuring the resources required to produce the Issuer's chosen products.

The Issuer has chosen to license its technology in an arms-length approach to commercializing its smokeless cannabis technologies. This approach limits the Issuer's legal exposure to the uncertain application of conflicting Federal and State marijuana laws. The Issuer will continue to develop new smokeless products primarily for the cannabis industry and the related production methods, protocols and equipment required to commercialize and support the new products. The Issuer is currently developing new products including a sleep aid strip (Cannaquil), an energy aid strip (Cannaburst), and a CBD strip that will give any patient the benefits of cannabis as a medication without the psychoactive effect or "high" that comes with THC contained in unprocessed cannabis. The Issuer intends to expand its market base with these new products.

The business model of the Issuer comprises three objectives:

1. Develop technologies with high margins in the cannabis sector;
2. Control the technologies developed by the Issuer and ensure the high quality of products produced with the technologies; and
3. Create multiple revenue streams from the technologies developed by the Issuer that are not directly involved with the manufacturing, transporting, distribution or sale involving cannabis or products derived from cannabis.

The licensees of the Issuer will be bound by a licensee agreement requiring each manufacturing licensee to lease the testing, metering and production equipment necessary to produce CannaStrips™ as well as to purchase the non-cannabis ingredients and packaging materials from the Issuer. The terms of the licensee agreement will include a single-method use clause for the proprietary equipment being leased to the licensees that does not permit any deviation from the Issuer's methods or formulas. The licensees will also be required to sign a non-disclosure and five year non-compete agreement. The licensee approach allows the Issuer to generate revenue from its technologies without the concerns raised by direct contact with cannabis products and without the additional obligations of staffing, product manufacturing, distribution and sales.

The Issuer will generate revenue by licensing the intellectual property and leasing the manufacturing equipment and ancillary equipment to the licensees. The intellectual property licenses will generate royalties based on a percentage of sales. The equipment leases are structured to recover the original investment over 5 years at 7% interest and continue at a level rate thereafter. The Issuer will add a markup to the price of packaging sold to the

licensees above the net cost of manufacturing the packaging. The Issuer will buy raw non-cannabis ingredients in bulk at a discount and sell to the licensees at a profit. The intellectual property licenses, the equipment leases and the sale of packaging and non-cannabis ingredients to the licensees are continuous sources of revenue.

The Issuer's management and licensee relationships represent a virtual distribution chain. Licenses will be granted to qualified cultivators, manufacturers, distributors and dispensaries. Licenses will be limited to those states where the sale of medicinal or recreational marijuana use is legal and to those licensees that are in compliance with the applicable state statutes, regulations and ordinances regarding the manufacture, distribution and sale of cannabis and products derived from cannabis.

The promotion of the Issuer's products will be a mix of marketing strategies. Individual licensees will be expected to advertise in their respective territories. The Issuer will guide the licensees in advertising generally and geo-specifically to licensee territories on Weedmaps.com. The Issuer has a superior working history with most of the industry media facilitating the placement of articles and advertising for readers and viewers. The Issuer will continue its involvement in charitable functions, where legal, and offer donations of CannaStrips™ where beneficial to medical patients who do not have the means to purchase the products and sponsor medicinal cannabis research products to the extent permitted under applicable law.

The Issuer believes that its success in this market will be achieved by offering a broad range of quality under a clearly identified brand.

Competition

The competition in the smokeless marijuana sector of the industry is primarily based on smokeless inhalation products and edibles.

The smokeless inhalation products, similar to smokeless tobacco devices, such as e-cigarettes, still emits odors and alters the cannabinoids, thereby reducing some of the medical benefits of marijuana. Additionally, these products are incapable of accurate dosing. These products also require a piece of equipment that has to be carried with the user in anticipation of marijuana use. A process much more cumbersome and less discreet than CannaStrips™.

Edibles are products which can be made with marijuana flour or marijuana oil extract to produce baked goods. These products are smokeless and have little or no marijuana odor, but the delivery of the product is through the intestine, which, for many, can cause stomach irritation. Edibles do not provide accurate dosing capabilities, are bulky to store and transport, and have a limited shelf life.

The Issuer is aware that there have been attempts by other parties to replicate CannaStrips™ but to date those initial products have been unsuccessful. CannaStrips™ has the advantage over its competitors of being a product that is smokeless and inoffensive, is highly portable and discreet, and has an exact dosage that is efficiently ingested through the body's oral mucosa.

The Issuer has chosen to position itself in the fastest growing market segment anywhere in the world. Beyond the expected 100% market growth over the next two years, the Issuer's initial product, CannaStrips™, is the only brand name product in the sector. The Issuer believes that with its first to market advantage and being the only company with brand name recognition, it will dominate the sector with its smokeless, non-offensive products. CannaStrips™ will play a dominant role in the positive marijuana socialization process simply by the fact that it will have removed the stigma of smoking and the odor of marijuana products. The ability of CannaStrips™ to be easily portable and discreetly available to the consumer at anytime in a pure and accurate dosage anywhere positions CannaStrips™ as a first choice option well in front of alternative delivery methods currently available from competitors.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information

The following information for the fiscal years ended December 31, 2016, 2015 and 2014 is extracted from the Issuer's audited consolidated financial statements for those periods and the following information for the nine month period ended September 30, 2017 is extracted from the Issuer's unaudited consolidated financial statements for the period then ended. The following information should be read in conjunction with those

financial statements. The audited consolidated financial statements for the fiscal years ended December 31, 2016, 2015 and 2014 and the unaudited consolidated financial statements for the nine months ended September 30, 2017 are incorporated by reference into this Annual Listing Statement. These financial statements have been posted on the Issuer's profile with the Canadian Securities Exchange (the "CSE") and are available for viewing with the Issuer's other public disclosure documents at the SEDAR website (www.sedar.com).

	Nine Months Ended September 30, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014 ⁽¹⁾
Revenue	\$ 819,260	\$ 56,086	\$ 58,298	\$ Nil
Net loss	\$ (6,141,941)	\$ (2,866,344)	\$ (1,206,673)	\$ 430,488
Other income	\$ Nil	\$ Nil	\$ Nil	\$ 2,065
Basic and diluted loss per share	\$ (0.10)	\$ (0.09)	\$ (0.08)	\$ (0.02)
Total assets	\$ 11,518,299	\$ 1,669,646	\$ 1,433,401	\$ 987,197
Total non-current liabilities	\$ Nil	\$ Nil	\$ Nil	\$ 29,925
Cash dividends declared	\$ Nil	\$ Nil	\$ Nil	\$ Nil

⁽¹⁾Based on proforma consolidated financial statements presented as part of Listing Statement dated for reference April 24, 2015.

Quarterly Information

The information required by this item is provided as part of the Issuer's management's discussion and analysis ("MD&A") for the Issuer's eight most recently completed fiscal quarters, which are incorporated by reference into this Annual Listing Statement. The Issuer's MD&A for these periods have been posted on the Issuer's profile with the CSE and are available for viewing along with the Issuer's other public disclosure documents at the SEDAR website (www.sedar.com).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lifestyle's MD&A for the years ended December 31, 2016 and 2015, and the interim period ended September 30, 2017 is incorporated by reference into this Annual Listing Statement. Lifestyle's MD&A for these periods have been posted on the Issuer's profile with the CSE and are available for viewing along with the Issuer's other public disclosure documents at the SEDAR website (www.sedar.com).

MARKET FOR SECURITIES

Lifestyle's securities are presently listed on the CSE under the stock symbol "LDS", on the OTC Link alternative trading system under the trading symbol "LDSYF", and on the Borse Frankfurt Exchange under the symbol "LD6, WKN: A14XHT".

CONSOLIDATED CAPITALIZATION

Since the date of the last comparative financial statements for the Issuer's most recently completed financial year, being December 31, 2016, the Issuer has completed the following transactions which resulted in the issuance of the shares of its common stock:

- On May 31, 2017, the Issuer closed a private placement financing (the "May Financing"), by issuing 14,213,000 units (the "Units") at a price of \$0.50 per Unit as part of a brokered tranche of its May Financing, and by issuing a total of 3,174,776 Units at a price of \$0.50 per Unit as part of a non-brokered tranche of the May Financing, for combined total gross proceeds of \$8,693,888. Each Unit sold as part of the May Financing consisted of one common share of the Issuer ("Unit Share") and one common share purchase warrant (a "Warrant") entitling the holder to purchase one additional common share (a "Warrant Share") at a price of \$0.75 per Warrant Share for a period ending on May 31, 2018. The Issuer may accelerate the expiration date of the Warrants if the daily volume weighted average share price of Lifestyle's common shares on the Canadian Securities Exchange (or such other stock exchange as Lifestyle's common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.

Canaccord Genuity Corp. (the “Agent”) acted as agent for the brokered tranche of the May Financing. In consideration of its services, the Agent received a commission equal to 7.0% of the gross proceeds of the brokered tranche of May Financing, paid by issuance of 164,100 Units, and \$415,405 in cash. As additional consideration, Lifestyle issued to the Agent 994,910 broker warrants (“Broker Warrants”) representing 7.0% of the aggregate number of Units sold under the brokered tranche of the May Financing. Each Broker Warrant is exercisable into one Unit at \$0.50 per Unit expiring on May 31, 2018. The fair value of Broker Warrants was calculated to be \$211,706, and was determined using the Black-Scholes Option pricing model at the date of issuance using the following assumptions:

Expected Warrant Life	1 year
Average Risk-Free Interest Rate	0.69%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	112%

In addition to the broker fees, the Issuer incurred an additional \$238,189 in legal and regulatory costs associated with the May Financing.

- On June 27, 2017, the Issuer closed a non-brokered private placement financing (the “June Financing”) for a total of 2,019,540 units (the “June Units”) at a price of \$0.50 per June Unit, for total gross proceeds of \$1,009,770. Each June Unit sold in the June Financing consisted of one common share of the Issuer (each a “June Unit Share”) and one common share purchase warrant (each a “June Warrant”) entitling the holder to purchase one additional common share (a “June Warrant Share”) at a price of \$0.75 per June Warrant Share for a period ending on June 27, 2018. The Issuer may accelerate the expiration date of the June Warrants if the daily volume weighted average share price of the Issuer’s common shares on the Canadian Securities Exchange (or such other stock exchange as the Issuer’s common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.

In connection with the June Financing, the Issuer agreed to pay cash commissions of \$26,775 pursuant to the agency agreement entered into as part of the May Financing, of which \$17,150 has been remitted to the Agent and \$9,625 has been accrued; in addition, the Issuer issued 53,550 finder’s warrants to the Agent (the “June Finder’s Warrant”). Each June Finder’s Warrant is exercisable for one June Unit at \$0.50 per June Unit for a period expiring on June 27, 2018. The fair value of the June Broker’s Warrants was calculated to be \$11,347, and was determined using the Black-Scholes Option pricing model at the date of issuance using the following assumptions:

Expected Warrant Life	1 year
Average Risk-Free Interest Rate	0.97%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	111%

- On January 11, 2018, the Issuer closed a non-brokered private placement (the “January Offering”) for a total of 5,500,000 units (the “January Units”) at a price of \$0.50 per January Unit (the “January Issue Price”) for total gross proceeds of \$2,750,000. Each January Unit sold in the January Offering consisted of one common share of the Issuer (each a “January Unit Share”) and one common share purchase warrant (each a “January Warrant”) entitling the holder to purchase one additional common share (a “January Warrant Share”) at a price of \$0.75 per January Warrant Share for a period ending on January 11, 2019. The Issuer may accelerate the expiration date of the January Warrants if the daily volume weighted average share price of the Issuer’s common shares on the Canadian Securities Exchange (or such other stock exchange as the Issuer’s common shares are then trading on) is equal to or greater than \$1.50 for 10 consecutive trading days.
- The Issuer issued a total of 19,069,241 shares of its common stock upon exercise of warrants for total proceeds of \$7,281,720.
- The Issuer issued a total of 7,210,794 shares of its common stock upon exercise of broker warrants for total proceeds of \$620,778.
- The Issuer issued a total of 3,038,820 shares of its common stock upon exercise of options granted to the Issuer’s management team and consultants for total proceeds of \$448,590.

- On May 23, 2017, the Issuer issued 6,000,000 shares (3,000,000 shares each) to the sole members of NHMC and CSPA as part of the Membership Agreements dated for reference May 1, 2017, to purchase the outstanding membership interests of each of NHMC and CSPA. The shares were placed in escrow pending receipt of COO by NHMC and CSPA, and as such no cost was attributed to the Escrowed Shares. On September 18, 2017, the Issuer recorded \$1,560,000 associated with fair market value of 3,000,000 shares issued to CSPA.
- On May 23, 2017, the Issuer issued Dr. Sanderson 1,000,000 common shares of its common stock. The shares were issued in consideration for the exclusive worldwide license agreement with Dr. Sanderson and Nanostrips, Inc., a company controlled by Dr. Sanderson. The shares were valued at \$590,000, and were expensed as part of Research and Development fees.
- On May 24, 2017, the Issuer issued 315,000 finder's shares with a value of \$29,531 upon the Issuer achieving the second and the third financial milestones as contemplated under the terms of the Acquisition Agreement for CDS.

The following table sets out the consolidated share capital of the Issuer as of January 25, 2018:

Type	Amount	Exercise Price	Expiry Date
Common shares ^{(1),(2)}	107,494,894	n/a	Issued and outstanding
Warrants	1,000,000	\$0.20	May 9, 2018
Warrants	655,225	\$0.10	July 6, 2018
Warrants	11,592,576	\$0.75	May 31, 2018
Warrants	1,225,000	\$0.75	June 27, 2018
Warrants	5,500,000	\$0.75	January 11, 2019
Broker warrants	164,100	\$0.75	May 31, 2018
Broker warrants	994,910	\$0.75	May 31, 2018
Broker warrants	34,300	\$0.75	June 27, 2018
Stock options	25,000	\$0.80	August 15, 2021
Stock options	8,311,000	\$0.50	July 27, 2019
Stock options	399,675	\$0.75	January 27, 2019
Stock options	500,000	\$1.15	January 11, 2020
	137,896,680		Total shares outstanding (fully diluted)

⁽¹⁾ Authorized: Unlimited common shares without par value.

⁽²⁾ Of 94,377,919 shares issued and outstanding 2,100,000 remain in escrow pending release to original shareholders of CDS upon achievement of financial milestones, 6,000,000 shares remain in escrow per Membership Purchase Agreements with NHMC and CSPA, and 96,000 shares remain to be released per additional escrow covenants with Brad Eckenweiler, in accordance with the policies of the CSE, which contemplate a time release for escrowed shares issued to insiders of a reporting issuer.

Since the date of the last comparative financial statements for the Issuer's most recently completed financial year, being December 31, 2016, the Issuer has completed the following transactions which resulted in material changes to the Issuer's loan capital:

- On November 13, 2017, the Issuer arranged a US\$500,000 secured credit facility (the "Credit Facility") with an unrelated third party creditor. Outstanding principal under the Credit Facility accrues interest at a rate of 3% per month, compounded monthly and payable on maturity on May 16, 2018. The Issuer may prepay the Credit Facility at any time, subject to the payment of \$50,000 in minimum interest. The Credit Facility is secured by a general security agreement covering all of the Issuer's personal property, and first deeds of trust on three parcels of unimproved real property totaling 20.5 acres owned by LDS Development Corporation in the City of Adelanto, California.

OPTIONS TO PURCHASE SECURITIES

As at January 25, 2018, the Issuer had the following options outstanding:

Optionee	Number of Options	Exercise Price	Market Value on Date of Grant	Expiry Date
Officers	7,011,000	\$0.50	\$0.48	July 27, 2019
Director	300,000	\$0.50	\$0.48	July 27, 2019
Director	25,000	\$0.80	\$0.80	August 15, 2021
Consultant	1,000,000	\$0.50	\$0.48	July 27, 2019
Consultant	399,675	\$0.75	\$0.48	January 27, 2019
Consultant	500,000	\$1.15	\$1.15	January 11, 2020
Total	9,368,900			

DESCRIPTION OF THE ISSUER'S SECURITIES

Common Shares

The Issuer is authorized to issue an unlimited number of common shares. The holders of the common shares are entitled to dividends as and when declared by the directors, to receive notice of, and to receive one vote per share, at meetings of shareholders of the Issuer and to receive upon liquidation such assets of the Issuer as are distributable to the holders of the common shares.

Prior Sales of Lifestyle Shares

The following table summarizes the issuances of securities of the Issuer within 12 months prior to the date of this Annual Listing Statement:

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price
May 23, 2017	Shares issued under Membership Purchase Agreements with NHMC and CSPA	6,000,000 ⁽⁴⁾	\$0.52 (deemed)	\$3,600,000
May 23, 2017	Shares issued for License Agreement with Dr. Sanderson	1,000,000	\$0.59 (deemed)	\$590,000
May 24, 2017	Finder's fee issued in connection with acquisition of technology	315,000	\$0.61	\$192,150
May 31, 2017	Shares issued in connection with brokered private placement	14,213,000 ⁽¹⁾	\$0.50	\$7,106,500
May 31, 2017	Shares issued in connection with non-brokered private placement	3,174,776 ⁽¹⁾	\$0.50	\$1,587,388
May 31, 2017	Broker units issued in connection with brokered private placement, in lieu of cash	164,100 ⁽¹⁾	\$0.50	n/a
May 31, 2017	Broker warrants issued in connection with brokered private placement	994,910 ⁽²⁾	\$0.50	n/a
June 27, 2017	Shares issued in connection with non-brokered private placement	2,019,540 ⁽³⁾	\$0.50	\$1,009,770
June 27, 2017	Broker warrants issued in connection with non-brokered private placement	53,550 ⁽³⁾	\$0.50	n/a

- (1) Each unit consists of one common share of the Issuer and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.75 expiring on May 31, 2018.

- (2) Each broker warrant is exercisable into a unit of the Issuer at \$0.50 per unit for a period of one year expiring on May 31, 2018. Each unit consists of one common share of Lifestyle and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.75 expiring on May 31, 2018.
- (3) Each unit consists of one common share of the Issuer and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional share at a price of \$0.75 expiring on June 27, 2018.
- (4) These shares are held in escrow pursuant to the Membership Purchase Agreements with NHMC and CSPA.

Stock Exchange Price

As of the date of this Annual Listing Statement the common share of Lifestyle are listed on the CSE under the symbol “LDS” on OTC Link alternative trading system under the trading symbol “LDSYF”, and on the Borse Frankfurt Exchange under the symbol “LD6, WKN: A14XHT”. The following table sets out the high and low trading price and volume of trading of the Issuer’s common shares on the CSE, the market on which the greatest volume of the Issuer’s shares were trading, during the periods indicated.

Period	Low (\$)	High (\$)	Volume
January 2018	0.72	1.54	51,793,015
December 2017	0.47	1.43	36,900,109
November 2017	0.40	0.87	29,973,949
October 2017	0.365	0.475	4,797,195
September 2017	0.36	0.475	2,960,945
August 2017	0.35	0.49	4,475,035
July 2017	0.46	0.69	2,835,230
April – June 2017	0.35	0.69	13,720,217
January - March 2017	0.495	0.84	21,757,323
October – December 2016	0.43	1.00	21,268,733
July - September 2016	0.07	0.64	18,564,700
April - June 2016	0.075	0.135	2,198,550
January – March 2016	0.085	0.15	1,490,641
October – December 2015	0.04	0.13	4,472,833

ESCROWED SECURITIES

The following table shows the Issuer’s shares that are subject to escrow:

Designation of class	Number of Issuer Shares held in escrow	Percentage of class
Common Shares	2,100,000 ⁽¹⁾	2.28%
Common Shares	96,000 ⁽²⁾	0.10%
Common Shares	6,000,000 ⁽³⁾	6.52%

- ⁽¹⁾ 2,100,000 remain in escrow with the Issuer’s transfer agent, Computershare Investor Services Inc. pending release to original shareholders of CDS upon achievement of financial milestones, as described in the General Development of the Business section of this Annual Listing Statement.
- ⁽²⁾ 96,000 shares remain to be released per additional escrow covenants with Brad Eckenweiler, in accordance with the policies of the CSE, which contemplate a time release for escrowed shares issued to insiders of a reporting issuer. The shares are being held in escrow with Computershare Investor Services Inc.
- ⁽³⁾ 6,000,000 shares remain in escrow with Buckner, Robinson & Mirkovich, pursuant to the Membership Purchase Agreements with NHMC and CSPA.

PRINCIPAL SHAREHOLDERS

As of the date of this Annual Listing Statement, the following shareholder owns beneficially and of record more than 10% of the issued common shares of the Issuer:

Name	Number of Issuer Shares Held	Percentage of Issued Common Shares
Brad Eckenweiler	13,381,000	11.94%

13,381,000 shares listed as being held by Mr. Eckenweiler include options to purchase 4,211,000 common shares of the Issuer at an exercise price of \$0.50 per share, and warrants to purchase up to 400,000 common shares of the Issuer at an exercise price of \$0.75 per share.

In computing the percentage ownership, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the tables does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding. As of the date of the filing of this Annual Listing Statement there were 107,494,894 shares of the Issuer's common stock issued and outstanding.

DIRECTORS AND OFFICERS OF THE ISSUER

Directors and Officers

The board of directors of the Issuer is composed of three members.

The name, municipality of residence, position or office held with the Issuer and principal occupation of each director and executive officer of the Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, are as follows:

Name, position with Issuer, and Place of the Residence	Principal Occupation During the Last Five Years	Date of Appointment as Director or Officer	Issuer Shares Beneficially Owned, Controlled, or Directed Directly or Indirectly ⁽¹⁾
Brad Eckenweiler Chief Executive Officer Director Bellevue, WA USA	CEO of Lifestyle Delivery Systems Inc. since April 2015; CEO of Triton Emission Solutions Inc. from September 2013 to May 2014; self-employed consultant from January 2010 to September 2013.	Director - May 1, 2015 ⁽²⁾ CEO – May 22, 2015	13,381,000 (11.94%)
James Pakulis President Director Los Angeles, CA USA	Chairman and CEO of Wisdom Homes of America, Inc., formerly General Cannabis Inc. from 2010 to present.	November 2, 2015 ⁽²⁾⁽³⁾	2,260,000 (2.08%)
David Velisek Director, (former CEO Dec. 2013 to May 2015) Vancouver, BC Canada	Manager, Corporate Development at Baron Global Financial Canada Ltd. from 2009 to present.	September 14, 2010 ⁽²⁾⁽³⁾	743,500 (0.69%)
Yanika Silina Chief Financial Officer and Corporate Secretary Vancouver, BC Canada	CFO of Cell MedX Corp. since November 2014 to present; Accountant at Da Costa Management Corp. from July 2008 to present.	November 27, 2015	796,095 (0.74%)

John Sanderson Chief Science Officer Irvine, CA USA	CEO and Chief Scientist with Cellese Regenerative Therapeutics from 2009 to Present; CMO of Cell MedX Corp. since January 2015 to present.	April 26, 2016	4,400,000 (4.09%)
Frank McEnulty Secretary and Treasurer of LDS Scientific and LDS Agrotech Long Beach, CA USA	Independent Business and Financial Consultant; President of Meghan Matthews, Inc. since 1996; CEO and President of Cell MedX Corp. since March 2014 to present.	January 23 , 2017	132,000 (0.12%)
Crystal Elrod President of LDS Scientific Inc. Foothill Ranch, CA USA	Independent consultant specializing in cannabis extraction and cultivation techniques.	January 23 , 2017	Nil (Nil %)
Matthew Ferguson President of LDS Agrotech Inc. Victorville, CA USA	Independent consultant for the design of cannabis grow facilities and on cannabis cultivation techniques since 2014. Prior to 2014 –foreman with an excavation contractor in the State of New York	January 24 , 2017	Nil (Nil %)

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled has been furnished by the respective individuals.
- (2) The term of office for each of the Issuer's directors expires upon holding of the Issuer's annual general meeting.
- (3) Member of audit committee.

Corporate Cease Trade Orders or Bankruptcies

None of the Issuer's directors or officers or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Annual Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the Issuer's director or executive officers, or a shareholder holding a sufficient number of the Issuer's securities to affect materially the control of the Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the Issuer's directors or executive officers or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Annual Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

Conflicts of interest may arise as a result of the proposed directors and officers of the Issuer also holding positions as directors and/or officers of other companies and situations may arise where the directors and officers will be in direct competition with the Issuer. See "Risk Factors".

Management Details

The following sets out details respecting the management of the Issuer:

Brad Eckenweiler

Mr. Eckenweiler, age 62, has served as Director of the Issuer since the close of the Acquisition on May 1, 2015, and as CEO of the Issuer as of May 22, 2015. Mr. Eckenweiler is an executive with worldwide business experience in operations, corporate finance, multi-border negotiations and global securities markets. From September 9, 2013 to May 16, 2014, Mr. Eckenweiler acted as Chief Executive Officer and as a member of the Board of Directors of Triton Emission Solutions Inc. (OTCQB:DSOX), a company engaged in the business of emission abatement and control technologies for the marine industry.

James Pakulis – Director and President

Mr. Pakulis, age 54, has served as Director and President of the Issuer since November 2, 2015. Mr. Pakulis has three decades of experience working with public and private entrepreneurial companies in a variety of emerging and high-growth sectors including the cannabis industry. From 2010 to 2012, Mr. Pakulis was chairman and chief executive officer of General Cannabis Inc., which grew from zero to over \$16-million in annual revenue in less than two years. Mr. Pakulis was responsible for all aspects of corporate management including strategy development and execution, operations, mergers and acquisitions, real estate transactions, finance/accounting, legal, and human resources. Mr. Pakulis is a skilled leader, negotiator and consensus builder. Other industries in which Mr. Pakulis has been involved include technology, housing, real estate, health care, mortgage services and financing. Mr. Pakulis is currently CEO and chairman of Wisdom Homes of America, Inc. (OTCQB: WOFA).

Dr. John Sanderson, MD – Chief Science Officer

Dr. Sanderson, age 67, was appointed the Issuer's Chief Science Officer on April 26, 2016. Dr. Sanderson is a stem cell researcher who began his career in clinical medicine specializing in diabetes and intravenous nutrition of critically ill patients. His accolades include receiving NIH funding, multiple issued patents and the publication of numerous academic papers as principal investigator. While a medical director and consultant at Johnson & Johnson, Dr. Sanderson was tasked with due diligence oversight for mergers and acquisitions, formulating strategic initiatives and, evaluating new technologies. As a consultant to Fortune 100 health care companies and the U.S. government, Dr. Sanderson was instrumental in devising technological solutions to important public health challenges such as obesity, diabetes, and asthma. Dr. Sanderson is currently the CMO of Cell MedX Corp. (OTCQB: CMXC).

Yanika Silina – CFO and Corporate Secretary

Ms. Silina, age 39, has served as the Issuer's Chief Financial Officer and Corporate Secretary since November 27, 2015. Ms. Silina is a Chartered Professional Accountant and holds a Diploma in Management Studies from

Thompson Rivers University. Ms. Silina is currently the CFO of Cell MedX Corp. (OTCQB: CMXC), and a director of Kesselrun Resources Ltd., a reporting issuer listed on the TSX Venture Exchange (TSX.V: KES). Ms. Silina has previously held various management positions with other public companies listed on OTCQB and Canada Stock Exchange.

David Velisek – Director

David Velisek, age 44, has been involved in the capital markets for 19 years in investor relations, as a trader of equities, options and futures as well as an investment advisor. He is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Development. He was previously a director of Finore Mining Inc. (CSE: FIN), Delon Resources Corp. (CSE:DLN) and Novo Resources Ltd. (CSE: NVO). He currently acts as a director for Confederation Minerals Ltd. (TSX.V:CFM).

Frank McEnulty –Secretary and Treasurer of LDS Scientific and LDS Agrotech

Mr. McEnulty, age 60, is an experienced executive with an extensive background in finance and accounting. Since 1996, Mr. McEnulty has been the President and CEO of Meghan Matthews, Inc., a private investment company. Since 2004, Mr. McEnulty has also been a member of the board and compensation committee for Ojai Oil Company. Ojai Oil Company currently trades on the OTC Pink marketplace. Since September 2014 until January 2015 Mr. McEnulty has been the director of Madison Technologies, Inc. From 1989 through 1995, Mr. McEnulty was the Chief Operating Officer and Vice President of Finance for Tri-Five Property Management, a foreign owned real estate investment company. Mr. McEnulty received a Masters of Business Administration from the University of Southern California and a Bachelor of Science from California State University, Long Beach.

Crystal Elrod – President of LDS Scientific

Ms. Elrod, age 35, was appointed the president of LDS Scientific Inc., the Issuer's subsidiary, on January 23, 2017. Ms. Elrod owns 25% shares of LDS Scientific Inc. During the past five years, Ms. Elrod has been engaged by various enterprises operating in cannabis industry in the state of Washington, for whom she consulted on determining the best methods of extraction processes required to arrive at the finished products.

Matthew Ferguson – President of LDS Agrotech

Mr. Ferguson, age 38, was appointed the president of LDS Agrotech Inc., the Issuer's subsidiary, on January 24, 2017. Mr. Ferguson owns 25% shares of LDS Agrotech Inc. During the past three years, Mr. Ferguson has been engaged by a number of companies in the cannabis industry to consult on the design of grow facilities and on cannabis cultivation techniques. Prior to providing his consulting services, Mr. Ferguson held a management position with an excavation contractor in the State of New York.

CAPITALIZATION

<u>Issued Capital</u>	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float				
Total outstanding (A)	107,494,894	136,747,005	100.00%	100.00%
Held by Related Persons ⁽¹⁾ (B)	19,976,595	27,712,595	18.58%	20.27%
Total Public Float (A-B)	87,518,299	109,034,410	81.42%	79.73%
Freely-Tradeable Float				
Securities subject to resale restrictions ⁽²⁾ (C)	8,196,000	8,196,000	7.62%	5.99%
Total Tradeable Float (A-C)	99,298,894	128,551,005	92.38%	94.01%

(1) Represents securities held by Related Persons or employees of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% of voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held).

(2) Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders.

Public Securityholders (Registered)

Class of Security Size of Holding	Common Shares Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	75	107,494,894
Total	75	107,494,894

Public Securityholders (Beneficial)

Class of Security Size of Holding	Common Shares Number of holders	Total number of securities
1 – 99 securities	42	2,103
100 – 499 securities	244	57,222
500 – 999 securities	247	157,042
1,000 – 1,999 securities	336	405,609
2,000 – 2,999 securities	254	561,961
3,000 – 3,999 securities	154	496,641
4,000 – 4,999 securities	96	404,352
5,000 or more securities	1,389	68,894,840
Total	2,762	70,979,770

- The information provided in the above table is as of October 17, 2017.

Non-Public Securityholders (Registered)

Class of Security Size of Holding	Common Shares Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	7	19,976,595
Total	7	19,976,595

Convertible Securities

The following are details for any securities convertible or exchangeable into common shares of the Issuer:

Description of Security (include conversion/exercise terms, including conversion/exercise price)			Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Exercise Price	Expiry Date	Type of Security		
\$0.20	May 9, 2018	Warrants	1,000,000	1,000,000
\$0.10	July 6, 2018	Warrants	655,225	655,225
\$0.75	May 31, 2018	Warrants	11,592,576	11,592,576

\$0.75	June 27, 2018	Warrants	1,225,000	1,225,000
\$0.75	January 11, 2019	Warrants	5,500,000	5,500,000
\$0.75	May 31, 2018	Broker warrants	1,159,010	1,159,010
\$0.75	June 27, 2018	Broker warrants	34,300	34,300
\$0.80	August 15, 2021	Stock options	25,000	25,000
\$0.50	July 27, 2019	Stock options	8,311,000	8,311,000
\$0.75	January 27, 2019	Stock options	399,675	399,675
\$1.15	January 11, 2020	Stock options	500,000	500,000

EXECUTIVE COMPENSATION

During the financial year ended December 31, 2016, Lifestyle employed five Executive Officers. During the financial year ended December 31, 2016, Lifestyle employed four Executive Officers. “Executive Officer” means the chairman and any vice-chairman of the board of directors who perform the functions of that office on a full-time basis, the president of Lifestyle or any vice-president in charge of a principal unit of Lifestyle and any officer of Lifestyle or its subsidiary who performs a policy making function in respect of Lifestyle.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
Brad Eckenweiler, CEO	2016		Nil	83,369	Nil	Nil	252,129	335,498
	2015		Nil	Nil	Nil	Nil	69,475	69,475
	2014		Nil	Nil	Nil	Nil	Nil	Nil
James Pakulis, President	2016		Nil	28,748	Nil	Nil	79,536	108,284
	2015		Nil	Nil	Nil	Nil	Nil	Nil
	2014		Nil	Nil	Nil	Nil	Nil	Nil
Yanika Silina, CFO	2016		Nil	14,695	Nil	Nil	12,000	26,695
	2015		Nil	Nil	Nil	Nil	1,000	1,000
	2014		Nil	Nil	Nil	Nil	Nil	Nil
Dr. John Sanderson, CSO	2016		Nil	57,496	Nil	Nil	Nil	57,496
	2015		Nil	Nil	Nil	Nil	Nil	Nil
	2014		Nil	Nil	Nil	Nil	Nil	Nil
David Velisek, Former CEO	2016		Nil	11,499	Nil	Nil	Nil	11,499
	2015		Nil	Nil	Nil	Nil	Nil	Nil
	2014		Nil	Nil	Nil	Nil	Nil	Nil
Denise Lok, Former CFO ⁽¹⁾	2016		Nil	Nil	Nil	Nil	Nil	Nil
	2015		Nil	Nil	Nil	Nil	172,500	172,500
	2014		Nil	Nil	Nil	Nil	142,500	142,500

Notes: (1) Compensation is paid to Baron Global Financial Canada Ltd. for corporate advisory services.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of the Issuer, indebted to the Issuer nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

RISK FACTORS

The following are certain risk factors relating to the business carried out by the Issuer which prospective investors should carefully consider before deciding whether to purchase securities of the Issuer. The risks presented below may not be all of the risks that the Issuer may face. The Issuer will face a number of challenges in the development of its business. Due to the nature of the Issuer's business and present stage of the business, the Issuer may be subject to significant risks. Sometimes new risks emerge and management may not be able to predict all

of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below.

Regulatory Risks

The activities of the Issuer will be subject to intense regulation by governmental authorities. Achievement of the Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Although the Issuer actively seeks to comply with U.S. local and state marijuana laws, marijuana remains a Schedule I drug under the United States Controlled Substances Act of 1970 (the "CSA") and the cultivation and distribution of marijuana and marijuana related products remains illegal under U.S. federal law. Although the State of California has enacted laws legalizing the use, cultivation, extraction, manufacture and distribution of cannabis and cannabis products, U.S. federal law criminalizing the use of marijuana may pre-empt state laws that legalize its use and production. Although Congress has prohibited the US Justice Department from spending federal funds to interfere with the implementation of state medical marijuana laws, this prohibition must be renewed each year to remain in effect. There are no assurances that these spending prohibitions will continue in the future. If these spending prohibitions are not renewed, unless the CSA is amended, of which there can be no assurance, the Issuer's operations may be deemed to be in violation of United States federal law and the Issuer could become subject to enforcement proceedings under United States federal law. Active enforcement of United States federal law as it currently exists could adversely affect the Issuer's future business prospects, cash flows, earnings, results of operations and financial condition and would likely prevent the Issuer from being able to proceed with its current business plan.

Change in Laws, Regulations and Guidelines

The Issuer's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis and cannabis-related products as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of the Issuer may cause adverse effects to the Issuer's operations.

As of the date of this Annual Listing Statement, twenty-nine states and the District of Columbia allow the use of cannabis. These jurisdictions have passed laws either decriminalizing or legalizing the medicinal or recreational use of cannabis. While the Issuer believes that the number of states legalizing the use of cannabis will increase, there is no assurance of the trend. There is no assurance that the twenty-nine existing states or the District of Columbia will not reverse their position on cannabis and revoke the legal use of cannabis. These changes will materially impact the growth of the Issuer's business and the Issuer may experience declining revenues as the market for its product and services declines.

Even in areas where the recreational and/or medicinal use of cannabis is legal under state law, there are local laws and regulations that affect the Issuer's licensees. In some municipalities, a retail cannabis dispensary is prohibited from being located within a certain distance from schools, community centers and/or churches. These local laws and regulations may cause some of the licensee's customers to close, which will impact the revenue of the Issuer and have a material effect on the Issuer's business and operations. The enforcement of identical rules or regulations with respect to cannabis may vary from municipality to municipality or city to city.

While the impact of such changes is uncertain and highly dependent on the specific laws, regulations or guidelines being changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Issuer's operations that are materially different than the effect on similar-sized companies in the same business as the Issuer.

Internet websites are accessible everywhere, not just in jurisdictions where the activities described therein are considered legal. The assets of the Issuer include several domain names and websites which provide information

about the Issuer's business and products. The Issuer may face legal action from a state or other jurisdiction for engaging in activity that is illegal in that state or jurisdiction by way of its website.

Risks Related to Conflicting Federal, State and Local Laws

The cannabis industry is currently conducted in twenty-nine states and the District of Columbia. These jurisdictions have passed laws either decriminalizing or legalizing the medicinal or recreational use of cannabis. However, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis remains illegal. In addition, local cities and municipalities may restrict or ban cannabis related businesses in their jurisdiction. The U.S. federal, and, in some cases, state and local law enforcement authorities have frequently closed down retail dispensaries, growers, and producers of cannabis products and have investigated or closed physician offices that provide medicinal cannabis recommendations. To the extent that an affected retail dispensary, grower, producer, or physician office is a customer of the Issuer, it will affect the Issuer's revenue. Enforcement actions that impact new retail dispensaries, growers, producers and physician offices entering the cannabis industry may materially affect the Issuer's business and operations.

Banking Risks

As the use, cultivation, manufacture and distribution marijuana remains illegal under U.S. federal law, U.S. banks may not be able or willing to accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty finding banks willing to accept their business. An inability to open or maintain bank accounts in the U.S. may make it difficult for the Issuer to operate its business.

Liability, Enforcement Complaints etc.

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

Operation Permits and Authorizations

The regulatory environment for marijuana operations in California remains complex. Although the Issuer currently has state and local licenses and permits for its existing operations, maintaining those licenses and permits can be a complex process. The Issuer may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate its medical marijuana business. In addition, the Issuer may not be able to comply fully with the wide variety of laws and regulations applicable to the marijuana industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Issuer's ability to operate its business and ability to execute its business plan.

Supply of Raw Cannabis Material

The Issuer currently obtains raw cannabis materials from third parties. However, there can be no assurance that there will continue to be a supply of raw cannabis material available to meet the Issuer's needs. Additionally, the price of raw cannabis may be volatile which would increase the Issuer's cost of goods. If the Issuer is unable to acquire raw cannabis in amounts sufficient to meet its business needs or if the price of raw cannabis increases significantly, the Issuer's business prospects, operations and financial condition could be adversely affected.

Lack of Operating History

The Issuer has only recently started to carry on its business and is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Issuer to meet any of these conditions could have a material adverse effect on the Issuer and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Issuer may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Issuer fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to

shareholders. Even if the Issuer accomplishes these objectives, the Issuer may not generate the anticipated positive cash flows or profits. No assurance can be given that the Issuer can or will ever be successful in its operations and operate profitably.

Reliance on Management and Key Personnel

The success of the Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Issuer's inability to retain employees and attract and retain sufficient additional employees as well as information technology, engineering, and technical support resources could have a material adverse impact on the Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results or financial condition.

Additional Financing

The Issuer's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. The Issuer's business model requires spending money (primarily on advertising and marketing) in order to generate revenue. Based on the Issuer's current financial situation, the Issuer may have difficulty continuing operations at the current level, or at all, if it does not start generating sufficient revenue from its operations in the near future.

In order to execute the Issuer's business plan, the Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Issuer when needed or on terms which are acceptable. The Issuer's inability to raise financing or earn revenue to support on-going operations or to fund capital expenditures could limit the Issuer's operations and may have a material adverse effect upon future profitability. The Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of current holders of the Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Issuer may be required to reduce, curtail, or discontinue operations. There is no assurance that the Issuer's existing cash flow will be adequate to satisfy its existing operating expenses and capital requirements.

Competition

There is potential that the Issuer will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Issuer. See "Narrative Description of the Business - Competition" for further details about the competition faced and to be faced by the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Because of early stage of the industry in which the Issuer operates, the Issuer expects to face additional competition from new entrants. If the number of users of medical or recreational marijuana in the United States increases, the demand for products will increase and the Issuer expects that competition will become even more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Growth and Consolidation in the Industry

The cannabis industry is undergoing rapid growth and substantial change, which may result in increased consolidation and formation of strategic relationships. The Issuer expects this consolidation and strategic partnering

to continue. Acquisitions or other consolidating transactions could have adverse effects on the Issuer. The Issuer could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Issuer to lose access to distribution, content and other resources. The relationships between the Issuer and its strategic partners may deteriorate and cause an adverse effect on the business. The Issuer could lose customers if competitors or user of competing technology consolidate with the Issuer's current or potential customers. Furthermore, the Issuer's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Issuer at a competitive disadvantage, which could cause the Issuer to lose customers, revenue, and market share. Consolidation in the industry could also force the Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Issuer's operating results.

Intellectual Property Risks

The Issuer's ability to compete largely depends on the superiority, uniqueness, and value of its intellectual property and technology, including both internally-developed technology and the ability to acquire patent protection and/or trademark protection. To protect its proprietary rights, the Issuer will rely on a combination of trademark, copyright, and trade secret laws, trademark and patent applications, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, certain risks may reduce the value of the Issuer's intellectual property. The Issuer's applications for trademarks and copyrights relating to its business may not be granted, and if granted, may be challenged or invalidated. There is no guarantee that issued trademarks and registered copyrights will provide the Issuer with any competitive advantages. The Issuer's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Issuer develops. There is a risk that another party may obtain a blocking patent and the Issuer would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products.

Risks Inherent in an Agricultural Business

The Issuer's business will indirectly rely on the growing of cannabis, an agricultural product. As a result, the business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. There can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Unfavorable Publicity or Consumer Perception

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

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Issuer will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Issuer's products may involve the risk

of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Issuer's products alone or in combination with other medications or substances could occur. The Issuer may be subject to various product liability claims, including, among others, that the Issuer's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the Issuer's results of operations and financial condition. There can be no assurances that the Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Issuer's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Issuer's products are recalled due to an alleged product defect or for any other reason, the Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Issuer will have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Issuer's significant brands were subject to recall, the image of that brand and the Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Issuer's products and could have a material adverse effect on the results of operations and financial condition of the Issuer. Additionally, product recalls may lead to increased scrutiny of the Issuer's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

The Issuer's business will be dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Issuer might be unable to find a replacement for such source in a timely manner or at all. If sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Issuer in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components.

Difficulty to Forecast

The Issuer will have to rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry in the United States. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Operating Risk and Insurance Coverage

The Issuer maintains insurance to protect its assets, operations and employees. Due to the nature of the Issuer's business, the insurance such as workers compensation, general liability, directors and officers insurance, even though available is more costly. There are no guarantees that the Issuer will be able to renew current insurance

policies or that the cost will be affordable to the Issuer. While the Issuer believes its insurance coverage is adequate to protect it from the material risks to which it is exposed as of the date of this Annual Listing Statement, no assurance can be given that such insurance will be adequate to cover the Issuer's future liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Growth Management

The Issuer has, and may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain directors and officers of the Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Issuer and as officers and directors of such other companies.

Litigation

The Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Issuer which may affect the operations and business of the Issuer. Furthermore, because the content of most of the Issuer's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, the Issuer may face additional difficulties in defending its intellectual property rights.

The Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Issuer becomes involved be determined against the Issuer such a decision could adversely affect the Issuer's ability to continue its operations, the market price for Issuer Shares, and could significantly drain the Issuer's resources. Even if the Issuer is involved in litigation and wins, litigation can redirect significant company resources.

The market price of the Issuer Shares may be subject to wide price fluctuations

The market price of the Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Issuer, general economic conditions, legislative changes, and other events and factors outside of the Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Issuer Shares.

Environmental and Employee Health and Safety Regulations

The Issuer's operations will be subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Issuer will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on the Issuer's manufacturing operations. In addition, changes in environmental, employee health and safety, or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Issuer's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

PROMOTERS

Mr. Feliberto (Phil) Gurat is a promoter of Lifestyle. On February 15, 2016, the Issuer entered into investor relations agreement with Mr. Gurat, who agreed to provide his services to the Issuer for an initial term of three (3) months commencing on February 1, 2016 and continuing on a month-to-month basis thereafter unless terminated by either party. The Issuer agreed to a monthly consideration of \$4,000. On November 1, 2016, the Issuer agreed to increase the monthly consideration to \$5,000 per month, and on August 1, 2017, the consideration was further increased to \$15,000 per month. On July 27, 2017, Lifestyle granted Mr. Gurat options to purchase up to 1,000,000 shares of the Issuer's common stock at \$0.50 per share expiring on July 27, 2019. In accordance with the policies of the CSE, the options vest over a 12-month period beginning on October 27, 2017, at 250,000 shares per quarter. In addition to the above, Mr. Gurat holds 140,000 shares of the Issuer's common stock.

In July 2017, the Issuer entered into a consulting agreement (the "Consulting Agreement") with Skanderbeg Capital Advisors Inc. ("Skanderbeg") for capital markets advisory and investor relations services. The Consulting Agreement is for a 12-month period beginning on July 1, 2017, and may be renewed on a month-to-month basis thereafter. The Issuer agreed to pay Skanderbeg \$181,000, payable in advance for the initial period of 12 months, and to grant Skanderbeg options to acquire up to 532,900 shares of the Issuer's common stock at \$0.75 per share expiring on January 27, 2019. In accordance with the policies of the CSE, the options vest over a 12-month period beginning on October 27, 2017, at 133,225 shares per quarter. As of the date of the filing this Annual Listing Statement, Skanderbeg held 594,500 shares of the Issuer's common stock.

In February 2017, the Issuer engaged Future Money Trends, LLC, and Wealth Research Group, LLC. to provide the Issuer with online marketing services. The agreements were for a four-month term ending on June 6, 2017. Due to extended closing of the brokered private placement with Canaccord Genuity Corp. completed on May 31, 2017, the Issuer reached a verbal agreement to extend the commencement of these services after the closing of the May Financing. The Issuer agreed to pay Future Money Trends, LLC US\$350,000 and Wealth Research Group US\$50,000 for their services.

On November 30, 2017, the Issuer engaged MAPH Enterprises, LLC for purposes of providing business advisory services to create market awareness of the Issuer. In consideration for the services the Issuer agreed to pay to MAPH a flat fee of US\$275,000 for all services provided and to be provided by MAPH during the period from July 1, 2017 to March 1, 2018. Of this amount US\$200,000 was paid prior to November 2017, and US\$25,000 was paid on December 7, 2017. Remaining US\$50,000 are to be paid in two monthly installments of US\$25,000 on January 1, 2018 and on February 1, 2018.

On June 3, 2017, the Issuer finalized a six-month market awareness and public relations services contract with Sutton Ventures Ltd. The Issuer paid Sutton Ventures \$20,000 for the services.

Other than as disclosed in this section or elsewhere in this Annual Listing Statement, to the Issuer's knowledge, no person who was a promoter of the Issuer within the last two years:

- (a) sold or otherwise transferred any asset to the Issuer within the last 2 years;
- (b) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- (e) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Issuer is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Issuer, there are no such proceedings contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in this Annual Listing Statement, the management of the Issuer is not aware of any material interest, direct or indirect, of any director, executive officer, any Person or a company beneficially owning, controlling or directing, directly or indirectly, more than ten percent of the outstanding voting securities of Lifestyle, or any Associate or Affiliate of the foregoing Persons, in any transaction in which Lifestyle has participated within the three years before the date of this Annual Listing Statement, that has materially affected or is reasonably expected to materially affect Lifestyle.

		September 30, 2017	December 31, 2016	December 31, 2015
Management consulting services	(a)	\$ 404,580	\$ 343,665	\$ 70,475
Consulting services for research and development	(b)	\$ 283,337	\$ -	\$ -
Shares issued for license	(c)	\$ 590,000	\$ -	\$ -
Share-based compensation	(d)	\$ 2,751,336	\$ 195,807	\$ -
Corporate advisory services	(e)	\$ -	\$ -	\$ 172,500

(a) Management consulting services consist of the following:

- US\$25,000 per month in consulting fees paid or accrued to Mr. Eckenweiler, the CEO and director of the Issuer. On July 31, 2015, Lifestyle entered into a consulting agreement with Mr. Eckenweiler for a one year term for US\$6,700 per month. Effective July 1, 2016, Lifestyle agreed to extend the agreement for an additional one year term for US\$25,000 per month. On February 28, 2017, the Consulting Agreement was further amended to extend the initial term to February 28, 2021, with automatic renewals for successive one year periods thereafter. In case of the termination of the Consulting Agreement by Lifestyle without due cause, Lifestyle agreed to pay Mr. Eckenweiler a lump sum amount equal to the product of monthly remuneration otherwise payable to Mr. Eckenweiler under the Consulting Agreement (US\$25,000 per month, as amended on July 31, 2016) multiplied by 18 months regardless of the length of time remaining under the then current term;
- US\$5,000 per month in consulting fees paid or accrued to Mr. Pakulis, Lifestyle's President and a member of the Board of Directors. Lifestyle agreed to pay Mr. Pakulis US\$5,000 per month for his services. On May 1, 2017, Lifestyle and Mr. Pakulis entered into a management consulting agreement for US\$5,000 per month extending for a term of two years expiring on May 1, 2019, with automatic renewals for successive one year periods thereafter; and
- US\$7,500 per month in consulting fees paid or accrued to Yanika Silina, Lifestyle's Chief Financial Officer. The Issuer agreed to pay Ms. Silina \$1,000 per month for her services. On May 1, 2017, the Issuer and Ms. Silina entered into a management consulting agreement for US\$7,500 per month extending for a term of two years expiring on May 1, 2019, with automatic renewals for successive one year periods thereafter.

(b) Consulting services for research and development consist of the following:

- US\$12,500 per month in consulting fees paid or accrued to Ms. Elrod, President and a 25% shareholder of LDS Scientific. In January 2017, the Issuer agreed to pay Ms. Elrod US\$12,500 per month for her services started on. In addition to the consulting fees paid to Ms. Elrod, the Issuer has an option to purchase Ms. Elrod's 25% interest in LDS Scientific. See "Narrative Description of the Business - LDS Agrotech and LDS Scientific,";
- US\$11,000 per month in consulting fees paid or accrued to Mr. Ferguson, President and a 25% shareholder of LDS Agrotech. In January 2017, the Issuer agreed to pay Mr. Ferguson US\$11,000 per month for his services. In addition to the consulting fees paid to Mr. Ferguson, the Issuer has an option to purchase Mr. Ferguson's 25% interest in LDS Agrotech. See "Narrative Description of the Business - LDS Agrotech and LDS Scientific,";
- US\$5,000 per month in consulting fees paid or accrued to Dr. Sanderson, MD, Chief Science Officer of the Issuer. In July 2017, the Issuer agreed to pay Dr. Sanderson US\$5,000 per month for his services.

(c) Shares issued for intangibles:

On May 3, 2017, the Issuer entered into an exclusive worldwide license agreement with the Issuer's Chief Science Officer, Dr. John D. Sanderson, and Nanostrips, Inc., a company controlled by Dr. Sanderson (the "Sanderson License Agreement"). Under the terms of the Sanderson License Agreement, LDS has been granted a worldwide exclusive license to the technology described in the provisional patent application relating to the transmucosal delivery of biologically active substances filed by Dr. Sanderson on November 6, 2016, and any technologies deriving therefrom, in the field of cannabis and cannabis extract related products. In consideration for the license, on May 23, 2017, the Issuer issued Dr. Sanderson 1,000,000 common shares of the Issuer, valued at \$590,000, which were recorded as part of the research and development costs on the statement of operations. In addition, upon the grant of a United States patent containing claims directed to the new and innovative subject matter described in the provisional patent application filed on November 6, 2016, the Issuer has agreed to issue Dr. Sanderson an additional 1,000,000 shares of its common stock.

(d) Stock-based compensation:

On July 27, 2017, the Issuer granted options to purchase up to 7,311,000 common shares to its executive officers and directors. The fair value of the options was determined to be \$2,751,336 and have an exercise price of \$0.50 per share expiring on July 27, 2019.

On July 13, 2016, the Issuer granted options to purchase up to 3,405,595 common shares to its executive officers and directors. The fair value of the options was determined to be \$195,807 and had an exercise price of \$0.12 per share. All options were exercised

(e) During the year ended December 31, 2015, the Issuer incurred \$172,500 in corporate advisory services with Baron Global Financial Canada Ltd. ("Baron"), a company related by way of a common director of the Issuer. The services were provided pursuant to an agreement between the Lifestyle and Baron, which was terminated on December 31, 2015.

A summary of amounts payable to related parties as of two last fiscal years, and as of the date of the latest available quarterly financial statements is as follows:

	September 30, 2017	December 31, 2016	December 31, 2015
Brad Eckenweiler	\$ 77,847	\$ 58,247	\$ 63,389
Jim Pakulis	\$ -	\$ 3,335	\$ -
Yanika Silina	\$ -	\$ 9,000	\$ 1,000
Dr. John Sanderson	\$ 6,147	\$ -	\$ -
Baron Global Financial Canada Ltd. ⁽¹⁾	\$ -	\$ 9,000	\$ 69,300

Amounts are unsecured, due on demand and bear no interest.

Related party loans payable

During the nine-month period ended September 30, 2017, the Issuer borrowed \$285,123 (US\$214,000) from Mr. Eckenweiler, the Issuer's CEO and a director of the Issuer. The loans were due on demand, unsecured and bore interest at 6% per annum compounded monthly. At May 31, 2017, Mr. Eckenweiler chose to convert \$200,000 of the amounts owed to him into 400,000 units of the Issuer in a non-brokered transaction as part of the May Financing, and the remaining \$86,964 (US\$68,245) in outstanding principal and \$658 (US\$838) in accrued interest to exercise his option to acquire up to 1,450,000 shares of the Issuer's common stock at \$0.12 per share as to a portion of those shares.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The auditors of the Issuer are Dale Matheson Carr-Hilton Labonte LLP with the address at Suite 1500 - 1140 West Pender Street, Vancouver, BC V6E 4G1.

Registrar and Transfer Agent

The registrar and transfer agent of the Issuer is Computershare Trust Company with the address at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, Canada V6C 3B9.

MATERIAL CONTRACTS

In addition to contracts entered into by the Issuer in the ordinary course of business, the following table summarizes all material contracts of the Issuer or the Issuer's subsidiaries entered into in the previous two years:

Date	Description
July 31, 2015	Consulting Agreement between Lifestyle Delivery Systems Inc., Canna Delivery Systems Inc. and Brad Eckenweiler (amended on July 31, 2016 and further amended on February 28, 2017).
December 16, 2015	Finder's Fee Agreement between Kariana Resources Inc. and Transmax Investing.
February 9, 2016	Investor Relations Agreement between Lifestyle Delivery Systems Inc. and Feliberto Gurat.
June 29, 2016	Loan Agreement between Lifestyle Delivery Systems Inc. and Van Maren Financial Ltd.
February 4, 2017	Digital Marketing Agreement between Lifestyle Delivery Systems Inc. and Future Money Trends, LLC (services postponed until September 2017).
February 4, 2017	Digital Marketing Agreement between Lifestyle Delivery Systems Inc. and Wealth Research Group, LLC (amended on June 9, 2017; services postponed until September 2017).
May 1, 2017	Escrow Agreement between Lifestyle Delivery Systems Inc. Brad Eckenweiler and Computershare Trust Company of Canada (amended on April 30, 2017).
May 1, 2017	Escrow Agreement between Lifestyle Delivery Systems Inc. Joao da Costa, Brent Inzer and Computershare Trust Company of Canada (amended on April 30, 2017).
May 1, 2017	Management Consulting Agreement between Lifestyle Delivery Systems and James Pakulis.
May 1, 2017	Management Consulting Agreement between Lifestyle Delivery Systems and Yanika Silina.
May 1, 2017	Employment Agreement between LDS Agrotech Inc. and Matt Ferguson.
May 1, 2017	Employment Agreement between LDS Agrotech Inc. and Jonathan Hunt.
May 1, 2017	Employment Agreement between LDS Scientific Inc. and Crystal Elrod.
May 1, 2017	Management Services Agreement between LDS Agrotech Inc. and NHMC, Inc.
May 1, 2017	Management Services Agreement between LDS Scientific Inc. and CSPA Group, Inc.
May 1, 2017	Escrow Agreement between Lifestyle Delivery Systems Inc., Jerry R. Davis and Debora B. Davis, and Buckner, Robinson & Mirkovich.
May 1, 2017	Membership Purchase Agreement between Lifestyle Delivery Systems Inc., Jerry R. Davis and Debora B. Davis, and CSPA Group, Inc.
May 1, 2017	Option and First Right of Refusal Agreement between Lifestyle Delivery Systems Inc. and Crystal Elrod.
May 1, 2017	Option and First Right of Refusal Agreement between Lifestyle Delivery Systems Inc. and Matthew Ferguson.
May 1, 2017	Intellectual Property Assignment Agreement between Lifestyle Delivery Systems Inc. and Ean Kremer.
May 1, 2017	Escrow Agreement between Lifestyle Delivery Systems Inc., Jerry R. Davis and Debora B. Davis, and Buckner, Robinson & Mirkovich.
May 1, 2017	Membership Purchase Agreement between Lifestyle Delivery Systems Inc., Jerry R. Davis and Debora B. Davis, and NHMC, Inc.
May 3, 2017	License Agreement between Nanostrips, Inc., Dr. John D. Sanderson, M.D., and Lifestyle Delivery Systems Inc. ⁽¹⁾
May 16, 2017	CFN Media 90-day Financial Media & Investor Visibility Campaign Agreement for LDS between Lifestyle Delivery Systems Inc. and CFN Media Group (Agreement extended to December 31, 2017)
July 1, 2017	Consulting Agreement between Lifestyle Delivery Systems Inc. and Skanderbeg Capital Advisors Inc. (Services postponed until September 2017)
July 1, 2017	Consulting Agreement between Lifestyle Delivery Systems Inc. and Nanostrips Inc. ⁽¹⁾

July 1, 2017	Consulting Agreement between Lifestyle Delivery Systems Inc. and Dr. John Sanderson, M.D.
July 25, 2017	Letter Agreement for consulting and management services for public and media relations between Lifestyle Delivery Systems Inc. and Nison Consulting, LLC.
December 29, 2017	Consulting Agreement for digital media campaigns for branding, media consulting, general business development between Lifestyle Delivery Systems Inc. and Market IQ Media Group, Inc.
January 1, 2018	Consulting Agreement for strategic planning and advisory services between Lifestyle Delivery Systems Inc. and Arni Johannson.

⁽¹⁾ Nanostrips Inc. is controlled by Dr. Sanderson.

INTEREST OF EXPERTS

The auditor of the Issuer, Dale Matheson Carr-Hilton Labonte LLP (the “Auditor”), audited Lifestyle’s Financial Statements and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. Based on information provided by Dale Matheson Carr-Hilton Labonte LLP, the Auditor has not received nor will receive the direct or indirect interests in the property of the Issuer. Neither the Auditor nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Issuer or its associates and affiliates.

OTHER MATERIAL FACTS

To management’s knowledge, there are no other material facts relating to Lifestyle and its operations that are not disclosed under the preceding items and are necessary in order for this Annual Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer, other than those set forth herein.

CERTIFICATE OF THE ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to Lifestyle Delivery Systems Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 25th day of January, 2018.

/s/ Brad Eckenweiler

Brad Eckenweiler,
Chief Executive Officer

/s/ Jim Pakulis

Jim Pakulis,
President

/s/David Velisek

David Velisek,
Director

/s/ Yanika Silina

Yanika Silina,
Chief Financial Officer