

FORM 51-102F3
Material Change Report
and Notice of Change in Corporate Structure

Item 1: Name and Address of Company

THC BioMed Intl. Ltd., formerly Thelon Capital Ltd. (the “**Issuer**”)
1500 – 888 Dunsmuir Street
Vancouver, BC V6C 3K4

Item 2: Date of Material Change

January 14, 2015 and January 22, 2015

Item 3: News Release

On January 16, 2015 a joint news release was issued and disseminated by John Miller and Hee Jung Chun and filed on SEDAR (www.sedar.com) announcing the acquisition of shares pursuant to a share exchange agreement between THC Meds Inc. (“**THC Meds**”), THC BioMed Ltd., formerly T.H.C. Medical Systems Ltd. (“**THC BioMed**”), the shareholders of the companies (collectively, the “**Vendor**”), and the Issuer dated October 2014 and amended on January 14, 2015 (the “**Share Exchange Agreement**”). A copy of the news release is attached as Schedule “A” hereto.

On February 4, 2015 a news release was issued and disseminated by the Issuer and filed on SEDAR announcing it has completed the Share Exchange Agreement and acquisition of THC Meds and THC BioMed. A copy of the news release is attached as Schedule “B” hereto.

Item 4: Summary of Material Change

On January 14, 2015 the Issuer completed a share exchange with John Miller and Hee Jung Chun pursuant to the terms of the Share Exchange Agreement.

On January 22, 2015 the Issuer completed a share exchange with Jason Martin, Susan Bedford and 2409555 Ontario Inc. pursuant to the terms of the Share Exchange Agreement.

Upon completion of the Share Exchange Agreement on January 22, 2015, the Issuer acquired 100% of the issued and outstanding shares of THC Meds and THC BioMed from the Vendors (the “**Acquisition**”).

Item 5: Full Description of Material Change

5.1 Summary of the Share Exchange Agreement and Corporate Information

In October, 2014, the Issuer entered into the Share Exchange Agreement which was subsequently amended on January 14, 2015.

Completion of the share exchanges with the Vendors (collectively, the “**Share Exchange**”) as set forth in the Share Exchange Agreement was approved by consent resolutions of the shareholders of the Issuer.

Pursuant to the Share Exchange Agreement, the following principal steps occurred and were deemed to occur in the following order to complete the Acquisition:

- On January 14, 2015 the Issuer received 10,800 common shares in the capital of THC BioMed from Hee Jung Chun and 10,800 common shares in the capital of THC Meds from John Miller in exchange for 22,306,368 common shares in the capital of the Issuer to each of Hee Jung Chun and John Miller;
- On January 22, 2015 the Issuer received 1,793 common shares in the capital of THC BioMed and 1,793 common shares in the capital of THC Meds from Jason Martin and Susan Bedford in exchange for 7,406,540 common shares in the capital of the Issuer;
- On January 22, 2015 the Issuer received 1,200 common shares in the capital of THC BioMed and 1,200 common shares in the capital of THC Meds from THC Meds Ontario Inc. in exchange for 4,956,970 common shares in the capital of the Issuer; and
- Upon completion of the Share Exchange, the Issuer acquired THC Meds and THC BioMed as subsidiaries.

5.2 Disclosure for Restructuring Transactions

Pursuant to section 4.9 of National Instrument 51-102, we provide the following additional information:

Name of each party, if any, that ceased to be a reporting issuer subsequent to the Transaction and of each continuing entity:

No party ceased to be a reporting issuer. The name of each continuing entity is:

- THC BioMed Intl. Ltd., formerly Thelon Capital Ltd., the Issuer and a reporting issuer in British Columbia and Alberta;
- THC Meds Inc. a private company and subsidiary of the Issuer; and
- THC BioMed Ltd., a private company and subsidiary of the Issuer.

For more information, please see Schedule “B” attached hereto.

Date of the Reporting Issuer’s first financial year end subsequent to the Transaction:

July 31, 2015

The periods, including comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer’s first financial year subsequent to the Transaction:

Financial Statement Period	Filing Due Date	Comparatives
Interim financial statements for the first quarter ended December 31, 2014	March 2, 2015	December 31, 2013
Interim financial statements for the	April 1, 2015	January 31, 2014

second quarter ended January 31, 2015		
Interim financial statements for the third quarter ended April 30, 2015	June 30, 2015	April 30, 2014
Annual financial statements for the year ended July 31, 2015	November 30, 2015	July 31, 2014

Documents Filed under National Instrument 51-102 describing the Transaction and Filing Location of Same:

Documents	Location of Filing
THC BioMed Ltd., formerly T.H.C. Medical Systems Ltd. Annual Financial Statements for the year ended July 31, 2014	SEDAR profile of the Issuer
THC BioMed Ltd. Interim Financial Statements for the first quarter ended October 31, 2014	SEDAR profile of the Issuer
THC Meds Inc. Annual Financial Statements for the year ended July 31, 2014	SEDAR profile of the Issuer
THC Meds Inc. Interim Financial Statements for the first quarter ended October 31, 2014	SEDAR profile of the Issuer
Share Exchange Agreement dated October 2014	SEDAR profile of the Issuer
Amended Share Exchange Agreement dated January 14, 2015	SEDAR profile of the Issuer
Early Warning Report of Hee Jung Chun dated January 16, 2015	SEDAR profile of the Issuer
Early Warning Report of John Miller dated January 16, 2015	SEDAR profile of the Issuer
Joint News release of Hee Jung Chun and John Miller dated January 16, 2015 (attached as Schedule A)	SEDAR profile of the Issuer
News release dated February 4, 2015 (attached as Schedule B)	SEDAR profile of the Issuer
This Material Change Report and Notice of Change in Corporate Structure	SEDAR profile of the Issuer

Please see Schedule "C" attached hereto for more information regarding the Material Change.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7: Omitted Information

None

Item 8: Executive Officer

John Miller, President & Chief Executive Officer

Telephone: 1-844-THC-MEDS

Email: info@thcbiomed.com

Item 9: Date of Report

March 31, 2015

Schedule "A"

Press Release

JOHN MILLER AND HEE JUNG CHUN

JOINT PRESS RELEASE

ACQUISITION OF SHARES OF THELON CAPITAL LTD.

Vancouver, B.C. – (January 16, 2015) John Miller and Hee Jung Chun (together, the “**Offerors**”), of Suite 200, 1455 Ellis Street, Kelowna, British Columbia, V1Y 2A3, announce that each party has filed an early warning report in connection with the acquisition of 22,306,368 common shares by each of the Offerors, or a total of 44,612,736 common shares, in the capital of Thelon Capital Ltd. (the “**Issuer**”).

Each of the Offerors acquired ownership of 22,306,368 common shares of Thelon Capital Ltd., collectively 44,612,736 common shares. As a result of this acquisition, each of the Offerors, holds 35.23%, and collectively 70.46%, of the issued and outstanding 63,311,110 common shares of the Issuer immediately after such acquisition. Hee Jung Chun and John Miller may be considered a joint actor of each other.

John Miller acquired his 22,306,368 common shares of the Issuer in exchange for his 10,800 Class “A” Voting Common shares without par value in the capital of THC Meds Inc., a private British Columbia corporation, and Hee Jung Chun acquired her 22,306,368 common shares of the Issuer in exchange for 10,800 Class “A” Voting Common shares without par value in the capital of T.H.C Medical Systems Ltd., a private British Columbia corporation, in a reverse takeover transaction with the Issuer pursuant to a Share Exchange Agreement (as described below). The last closing price of the Issuer prior to its delisting on the TSX Venture Exchange was \$0.045 per share and on the basis of this closing price, the 44,612,736 common shares of the Issuer would represent an approximate price of \$2,007,572. The common shares of the Issuer are not listed for trading on any public market.

The acquisition was made in connection a Share Exchange Agreement, dated January 14, 2015 (the “**Agreement**”) among Thelon Capital Ltd., THC Meds Inc., T.H.C. Medical Systems Ltd. (together, the “**Target Companies**”) and shareholders of the Target Companies. Pursuant to the Agreement, the Offerors will be issued, and they intend to acquire, approximately 6,498,950 common shares of the Issuer each (the “**Earn-Out Shares**”) in the event that the Issuer obtains a license pursuant to Canada’s *Marihuana for Medical Purposes Regulations*.

Pursuant to stock restriction agreements dated January 15, 2015 with the Issuer (the “**Stock Restriction Agreements**”), each of the Offerors agreed not to transfer or otherwise dispose of their aggregate 44,612,736 common shares and any Earn-Out Shares except that such restriction will not apply to proportions of the shares vesting as follows:

Vesting Date	Proportion of Vested Shares
On the date the Issuer's common shares listed (the "Listing Date")	1/10 of the common shares
6 months after the Listing Date	1/6 of the remainder of the common shares
12 months after the Listing Date	1/5 of the remainder of the common shares
18 months after the Listing Date	1/4 of the remainder of the common shares
24 months after the Listing Date	1/3 of the remainder of the common shares
30 months after the Listing Date	1/2 of the remainder of the common shares
36 months after the Listing Date	The remainder of the common shares

and provided however that such restrictions will not apply to: (i) a transfer of the common shares to any director, officer, employee or consultant of the Issuer; (ii) a transfer of the common shares to the Issuer pursuant to a redemption initiated by the Issuer; or (iii) a transfer during the Offeror's lifetime or on the Offeror's death by will or intestacy to the Offeror's beneficiaries or a trust for the benefit of the Offeror's beneficiaries; so long as any such transferee agrees to the same transfer restrictions.

The exemption from securities legislation being relied on by the Offerors is set out under Section 2.16 of National Instrument 45-106 as the acquisition was made under an exempt take-over bid.

For more information, please contact:

John Miller or Hee Jung Chun
info@thcbiomed.com
1.844.TH.C.MEDS

Schedule "B"

Press Release

THELON CAPITAL LTD.
Suite 1500 – 888 Dunsmuir Street
Vancouver, BC V6C 3K4

**THELON CAPITAL LTD. ANNOUNCES
THE ACQUISITION OF TWO MARIHUANA FOR
MEDICAL PURPOSES LICENSE APPLICANTS**

Vancouver, B.C., February 4, 2015 - Thelon Capital Ltd. (“THC” or the “Company”) is pleased to announce the acquisition of two MMPR license applicants: THC Meds and T.H.C Medical Systems (the “THC Companies”).

Through the completion of a share exchange agreement, Thelon acquired 100% of the issued and outstanding shares of each of the THC Companies and will change its business to becoming and operating as an MMPR Licensed Producer and the research & development of products and services related to medical marihuana. Both THC Companies have applications with Health Canada for Producer’s Licenses under Canada’s Marihuana for Medical Purposes Regulations (“MMPR.”) THC intends to cultivate medical marihuana and conduct scientific research and development in order to offer products and services through two revenue streams: (a) medical marihuana sales to other MMPR Licensed Producers and (b) products and services related to medical marihuana.

THC has appointed John Miller as its President and CEO. Mr. Miller is the Senior Person in Charge and will head THC’s efforts to obtain the MMPR licenses.

T.H.C. Medical Systems Ltd. (“T.H.C. Medical”) has an existing 6,000 sq. foot facility in Kelowna B.C. The Facility has been outfitted with a state of the art, integrated security system for meticulous record keeping. An on-site analytical laboratory is equipped with the required instruments, such as a High Performance Liquid Chromatography detector (“HPLC”), to determine active cannabinoids present in Reference Standards. THC Medical Systems grew marihuana for research and development purposes under a Section 56 Exemption of Canada’s *Controlled Drugs and Substances Act*, which was in effect from August 2013 to August 2014.

THC’s previous activities of cultivating and conducting research on marihuana allowed THC to conduct analytical testing on-site for research purposes. Medical cannabis is still an emerging industry and THC believes that it is important that substantiated scientific data and evidence be published that will help educate the public and the medical community. THC aims to use its scientific research to break down barriers and encourage the responsible development of the medical cannabis industry.

By providing scientific and biotechnological support services to a target demographic that includes current and potential licensed producers under MMPR, THC intends to strengthen current industry standards, while establishing a robust and safe source of medical marihuana.

On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Company’s existing facility in Kelowna. We look forward to Health Canada’s feedback as we strive for continuous quality improvement.

There can be no assurance that the Company will obtain an MMPR license. In the event the Company does not obtain an MMPR license, it will focus on the other aspect of its business, namely the supply of goods and services related to the medical marihuana business.

THC acquired 100% of the issued and outstanding shares of the THC Companies in exchange for consideration of 56,976,246 of its common shares. There are an additional 26,823,751 earn out shares that may be issued to the former shareholders of the THC Companies on the accomplishment of certain milestones: 16,600,000 to be released in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries and 10,233,751 to be released pending the removal of certain potential liabilities of the THC Companies.

In addition to appointing Mr. Miller as the company's new President and CEO, THC has also appointed Mr. Miller to its Board of Directors. Hee Jung Chun, the President of both THC Companies has been named to The Board of Directors, as well as George Smitherman of Toronto, Ontario. Jason Walsh and Geoff Watson have remained on the Board.

Scott Walters, Mark Tommasi and John Roozendaal have resigned from the Board. Scott Walters has also resigned as President and CEO.

On January 14, 2015, as a condition precedent to the closing of the Share Exchange Agreement, the Company completed a Plan of Arrangement with Thelon Diamonds Ltd. in which the Company vended out its interests in the joint venture in diamond mining with Peregrine Diamonds Ltd. and the related mineral leases in exchange for 2,260,000 common shares of Thelon Diamonds Ltd. The Company immediately distributed the Thelon Diamonds shares to its shareholders as of the record date of October 21, 2014.

THC has received conditional approval for the listing and trading of its common shares on the CSE.

ON BEHALF OF THE BOARD OF DIRECTORS

John Miller, President & CEO
Thelon Capital Ltd.
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This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration.

Forward-Looking Statements

This news release contains forward-looking statements that involve risks and uncertainties. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company. Forward-looking statements in this release include (a) the Company will change its business to becoming and operating as an MMPR Licensed Producer and the Research & Development of products and services related to medical marihuana, (b) the Company will use its scientific research to break down barriers and encourage the responsible development of the medical cannabis industry and (c) the Company will strengthen current industry standards, while establishing a robust and safe source of medical marihuana. The forward-looking statements or information contained in this news release are made as of the date hereof and the Company does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Schedule "C"

Full Description of Material Change

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1. Glossary of Terms

“**Acquisition**” means the acquisition of a 100% interest in the THC Companies, pursuant to the Agreement;

“**Agreement**” means the Definitive Agreement, made effective November 5, 2014, as amended, between the Issuer and the THC Companies, pursuant to which the Issuer acquired a 100% interest in the THC Companies;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**BCCA**” means the *Company Act* (British Columbia);

“**Board**” means the Issuer’s board of directors;

“**CEO**” means an individual who acted as chief executive officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year;

“**Consideration Shares**” has the meaning ascribed to it in “Section 22, Material Contracts”;

“**CSE**” means the Canadian Securities Exchange;

“**Diamonds Option**” has the meaning ascribed to it in “Section 3, General Development of Business”;

“**Diamonds Plan of Arrangement**” has the meaning ascribed to it in “Section 3, General Development of Business”;

“**Diamonds Shares**” has the meaning ascribed to it in “Section 3, General Development of Business”;

“**Exchange**” means the TSX Venture Exchange;

“**Issuer**”, “**THC BioMed Intl.**”, “**we**”, “**us**” and “**our**” means THC BioMed Intl. Ltd.;

“**Listing Date**” means the date on which the Issuer’s securities are listed on a Canadian exchange;

“**MMAR**” means the Canadian Medical Marihuana Access Regulations;

“**MMPR**” means the Canadian *Marihuana for Medical Purposes Regulations*;

“**MMPR Licensed Producer**” has the meaning ascribed to it in “Section 2, Corporate Structure”;

“**MMPR Production License**” means a license to commercially produce and/or distribute medical marihuana under MMPR;

“**Maturity Date**” has the meaning ascribed to it in “Section 22, Material Contracts”;

“**NWT Diamonds Claims**” has the meaning ascribed to it in “Section 3, General Development of Business”;

“NWT Head Agreement” has the meaning ascribed to it in “Section 3, General Development of Business”;

“NWT Joint Venture” has the meaning ascribed to it in “Section 3, General Development of Business”;

“Option Plan” means the Issuer’s stock option plan dated for reference February 10, 2015;

“Peregrine” has the meaning ascribed to it in “Section 3, General Development of Business”;

“Peregrine Letter Agreement” has the meaning ascribed to it in “Section 3, General Development of Business”;

“Person” means a company or an individual;

“Related Person” means an Insider, which has the meaning set forth in the *Securities Act* (British Columbia):

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of the Issuer that is an insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or,
- (d) the Issuer itself if it holds any of its own securities;

“Restriction Agreement” has the meaning ascribed to it in “Section 11, Escrowed Securities”;

“Supplier” means a firm offering security, software, equipment, legal, finance, medical marihuana, supplies or logistics products and services to MMPR Licensed Producers;

“TD Company” has the meaning ascribed to it in “Section 3, General Development of Business”;

“THC Companies” means THC BioMed Ltd. (formerly T.H.C. Medical Systems Ltd.) and THC Meds Inc. and **“THC Company”** means either one of them;

“THC Meds” means THC Meds Inc.;

“THC BioMed Ltd.” means THC BioMed Ltd. (formerly T.H.C. Medical Systems Ltd.); and

“Thelon Diamonds” has the meaning ascribed to it in “Section 3, General Development of Business”.

“TSXV” means the TSX Venture Exchange.

Forward-Looking Statements

The information provided herein, including information incorporated by reference, may contain

“forward-looking statements” about the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of the date they are made and are based on information currently available and on the Issuer’s then current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- market competition and agricultural advances of competitive products;
- the timing and availability of the Issuer’s products, its ability to expand production space, and acceptance of its products by the market;
- the progress and the successful and timely completion of the various stages of the licensing process;
- the progress and success of the Issuer’s research and development program;
- the ability to successfully market, sell, and distribute the products, and to expand the Issuer’s customer base; and,
- other risks described herein and described from time to time in the Issuer’s documents filed with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made herein and the Issuer’s other documents are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences or effects. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on the Issuer’s behalf may issue. The Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See “Part 17 – Risk Factors”.

Market and Industry Data

This information includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the

accuracy or completeness as of this date. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Issuer has not independently verified any of the data from third party sources referred to in this Information or ascertained the underlying economic assumptions relied upon by such sources.

2. Corporate Structure

The Issuer's head office is located at 1500-888 Dunsmuir Street in Vancouver, British Columbia, V6C 3K4 and its registered and records office address is located at Suite 1780 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6.

THC BioMed Intl. Ltd. was incorporated under the name "AnSCO Resources (B.C. Ltd.)" under the provisions of the BCCA on February 2, 1982. The Issuer was continued under the BCBCA on July 23, 2004.

The Issuer is in the business of becoming and operating as a licensed producer under Canada's *Marihuana for Medical Purposes Regulations* ("**MMPR**") through THC Meds and THC BioMed Ltd., which are the Issuer's wholly-owned subsidiaries. The Issuer intends to offer and sell its dried marihuana product, once it obtains an MMPR License, to other producers licensed under MMPR (each an "**MMPR Licensed Producer**") and to patients directly or through physicians, as permitted by the MMPR. The Issuer is also in the business of developing technologies, products and services to support MMPR Licensed Producers. The Issuer will be active in carrying out both aspects of its business, the development and sale of products and services, and becoming and operating as an MMPR Licensed Producer as a consolidated company with its wholly-owned subsidiaries.

The Acquisition

On January 14 and 22, 2015, the Issuer completed its acquisition of a 100% interest in two companies: THC Meds and THC BioMed Ltd. are now the Issuer's wholly-owned operating subsidiaries.

On January 14, 2015, the Issuer acquired 78% of THC Meds and THC BioMed in exchange for 44,612,736 common shares of the Issuer pursuant to the Share Exchange Agreement. Two of the shareholders of THC Meds and THC BioMed Ltd. were unable to produce their share certificates at closing and were given additional time to locate their shares certificates or provide adequate legal documentation to replace them. On January 22, 2015, the Issuer completed the acquisition of the remaining 22% of THC Meds and THC BioMed in exchange for 12,363,510 common shares of the Issuer pursuant to the Share Exchange Agreement. The Issuer therefore purchased 100% of the issued and outstanding shares of THC Meds and THC BioMed in exchange for 56,976,246 of the Issuer's common shares. There are an additional 26,823,751 earn out shares that may be issued to the former shareholders of the THC Companies on the accomplishment of certain milestones: 16,600,000 to be released in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries and 10,233,751 to be released pending the removal of certain potential liabilities of the THC Companies.

Both subsidiaries have applied to Health Canada to become MMPR Licensed Producers. THC BioMed had an exemption from Health Canada under Section 56 of Canada's *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marihuana at its facility in Kelowna, British Columbia. The

exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014. Both THC Companies have made applications to become MMPR Licensed Producers. There can be no assurance that the Issuer will obtain an MMPR License.

The Issuer will carry out both aspects of its business, becoming and operating as an MMPR Licensed Producer and the development and sale of products and services, as a consolidated company with its wholly-owned subsidiaries.

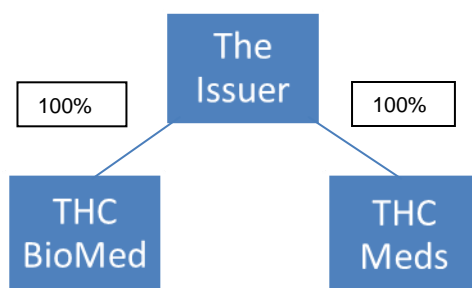
There can be no assurance that the Issuer will obtain an MMPR license and in that event, the Issuer will focus on the other aspect of its business, the development and sale of products and services – see Section 4, “Narrative Description of the Business – Description of the Business”.

The following diagram summarizes the structure of the entities prior to and after completion of the Acquisition:

PRE-ACQUISITION



POST-ACQUISITION



The Issuer completed a share consolidation on December 23, 2014 whereby every 6 existing common shares of the Issuer were consolidated into 1 new common share of the Issuer.

Effective December 31, 2014, the Issuer completed a Plan of Arrangement with Thelon Diamonds Ltd. in which the Issuer vended out its interests in the joint venture in diamond mining with Peregrine Diamonds Ltd. and the related mineral leases in exchange for 2,260,000 common

shares of Thelon Diamonds Ltd. The vending out of these interests by the Issuer was a condition precedent to the closing of the Share Exchange Agreement. The Issuer immediately distributed the Thelon Diamonds shares to its shareholders as of the record date of October 21, 2014.

On January 22, 2015, the Issuer completed the acquisition of a majority interest in each of THC Meds and THC BioMed. The Issuer purchased 100% of the issued and outstanding shares of THC Meds and THC BioMed in exchange for 56,976,246 of the Issuer's common shares.

A further 10,223,751 common shares have been reserved by the Issuer pending the removal of certain potential liabilities of the THC Companies.

There are an additional 16,600,000 common shares to be issued to the former shareholders of the THC Companies who participated in the share exchange in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries.

As a condition to the completion of the Acquisition, the subsidiaries raised a combined total of \$719,997 prior to closing.

THC Meds and THC BioMed are now the Issuer's wholly-owned operating subsidiaries. Both subsidiaries have applied to Health Canada to become MMPR Licensed Producers. THC BioMed had an exemption from Health Canada under Section 56 of Canada's *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marijuana at its facility in Kelowna, British Columbia. The exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014.

There can be no assurance that the Issuer will obtain an MMPR license.

Fundamental Change

The Issuer is not requalifying for a listing following a fundamental change or proposing an acquisition, amalgamation, merger, reorganization or arrangement.

3. General Development of the Business

History

From the date of incorporation (February 2, 1982) to February 2014, the Issuer was an exploration-stage mineral resources company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Issuer no longer holds any mineral resource property interests. Instead, the Issuer has become engaged in the business of becoming and operating as an MMPR Licensed Producer and developing and supplying technologies, products and services to support MMPR Licensed Producers.

The Issuer became listed on the Vancouver Stock Exchange in November 1983 by way of a listing application following a prospectus that was dated September 30, 1983 and that went effective on October 13, 1983.

On February 16, 1989, the Issuer changed its name from "AnSCO Resources (B.C.) Ltd." to "Sunstate Resources Ltd."

On October 5, 1999 the Issuer changed its name from "Sunstate Resources Ltd." to

“International Sunstate Ventures Ltd.”

On April 12, 2002, the Issuer changed its name from “International Sunstate Ventures Ltd.” to “Thelon Ventures Ltd.”

On February 4, 2010, the Issuer changed its name from “Thelon Ventures Ltd.” to “Thelon Capital Ltd.” and began trading on the TSXV.

March 14, 2014, the Issuer issued a press release in response to a sudden and unexplained increase in trading in its listed, common shares, disclosing that the Issuer was unaware of any material change in the Issuer’s operations that would account for the increase in market activity. In April 2014, due to prevailing market conditions and the experience and interests of the Issuer’s management, the Issuer decided to pursue its current business. Subsequently, the Issuer decided to delist from the TSXV and list on the CSE.

On December 17, 2014, the Issuer received conditional acceptance for listing on the CSE.

On December 22, 2014, the Issuer voluntarily delisted from the TSXV.

Pursuant to an option agreement dated July 12, 2002 (the “**NWT Head Agreement**”) between Mackenzie Jaims, as optionor, and the Issuer, the Issuer obtained an option (the “**Diamonds Option**”) to acquire a 100% undivided right, title and interest in certain mineral claims comprised of three leases situated in the Northwest Territories known as “OKI 1-3” (the “**NWT Diamonds Claims**”), subject to a royalty payable of 4% gross overriding royalty (GOR) and 4% Net Smelter Royalty (NSR) on all metals payable to Mackenzie Jaims. The Issuer exercised the Diamonds Option and acquired a 100% interest in the NWT Diamonds Claims. By a letter agreement dated February 18, 2004 as amended March 30, 2004 and September 8, 2004 (collectively, the “**Peregrine Letter Agreement**”) between the Issuer and Dunsmuir Ventures Ltd., whose rights and obligations under the Peregrine Letter Agreement were assumed by Peregrine Diamonds Ltd. (“**Peregrine**”), the Issuer granted to Peregrine an exclusive option to acquire a portion of the Issuer’s interest in the NWT Diamonds Claims and the NWT Head Agreement and entered into a joint venture (the “**NWT Joint Venture**”) with Peregrine for the purposes of further exploration and development of the NWT Diamonds Claims. Peregrine exercised its option and acquired a 70.54% interest in the NWT Head Agreement and the NWT Diamonds Claims. On January 14, 2015, the Issuer assigned its 29.46% interest in and to the NWT Head Agreement, the NWT Diamonds Claims and the NWT Joint Venture to Thelon Diamonds pursuant to the Diamonds Plan of Arrangement as described further below.

On January 22, 2015, the Issuer completed the Acquisition of a majority interest in THC Meds and THC BioMed and now has two applications to become an MMPR Licensed Producer being reviewed by Health Canada.

On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Issuer’s existing facility in Kelowna, British Columbia. On February 11, 2015, Health Canada sent a list of comments for further modifications that were required at the existing facility in order to meet MMPR requirements. On February 27, 2015, Health Canada acknowledged receipt of the Issuer’s information confirming completion of the further modifications and readiness for the granting of an MMPR license to THC BioMed.

On March 23, 2015, the Issuer changed its name from “Thelon Capital Ltd.” to “THC BioMed Intl. Ltd.”

Development of the Business over the most Recently Completed Fiscal year ended September 30, 2014 and the Three Months ended December 31, 2014

The Issuer has operated since inception (February 2, 1982) as a mineral resources exploration company. Due to market factors and the status of its exploration projects, following the end of the financial year ended September 30, 2013, the Issuer determined that it was in its best interests to evaluate new business opportunities. Since making that decision, the Issuer re-organized its management and took on some new members. The Issuer then evaluated new business opportunities. The Issuer has ceased to be involved with the business of mineral resources exploration. The Issuer is now in the business of becoming and operating as an MMPR Licensed Producer and developing technologies, products and services to MMPR Licensed Producers.

On September 25, 2013, the Issuer completed a private placement of 50,500,000 units of its securities at a price of \$0.005 per unit. Each unit contained one common share and one common share purchase warrant. Each warrant entitled the holder to acquire one common share in the Issuer for a period of three years from the date of issuance, at a price of \$0.05 per common share until February 25, 2015 and \$0.10 per common share thereafter.

On February 28, 2014, the Issuer appointed Mr. Scott Walters as its President and CEO. Mr. Jason Walsh resigned from those positions but continued on as part of the management of the Issuer as a director and Chairman.

On March 27, 2014, the Issuer granted 9,500,000 incentive stock options to its Officers, directors and employees at \$0.10 for a period of two years.

On April 3, 2014, the Issuer announced the completion of a financing of \$1,000,000 through the exercise of shareholder warrants.

On April 10, 2014, the Issuer announced that it had entered into an arrangement with Net Gram Royalty Co. ("**Net Gram**"), a private consultant, to further explore and to help negotiate royalty agreements with various MMPR Licensed Producers in exchange for the provisions of legal supplies of dried medical marihuana and support services.

On April 16, 2014, the Issuer announced that it had signed a binding Memorandum of Understanding (the "**Zeolite MOU**") with Canadian Mining Company Inc. ("**Canadian Mining**"), a public company listed on the TSXV, to test its zeolite-based fertilizer in the growing of medical marihuana. The Zeolite MOU includes a statement of intent by the parties that the Issuer will receive an option to earn up to a 50% interest in the Sun Group Zeolite Project in Princeton, B.C. Canadian Mining is involved in a project designed to develop zeolites as a nutrient input for hydroponic, aquaponic and soil crops, including marihuana.

On May 13, 2014, the Issuer announced that it had entered into a Memorandum of Understanding to purchase 100% of 8824479 Canada Inc., a private company incorporated under the laws of Canada. 8824479 Canada Inc. had the exclusive option to purchase a 30% interest in the Cannabinoid Medical Clinic, a series of clinics located in Ontario to provide medical marihuana prescriptions under the Canadian MMPR. The Issuer advanced \$200,000 to 8824479 Canada Inc. to secure a 45-day due diligence period. On July 23, 2014, the due diligence period was extended to September 30, 2014. Pursuant to the due diligence information reviewed by the Issuer, the Memorandum of Understanding was cancelled and the \$200,000 deposit was returned to the Issuer on October 23, 2014.

On May 22, 2014, pursuant to a request from the Issuer, pending developments in the company's operations, the Investment Industry Regulatory Organization of Canada, known as "IIROC", placed a trading halt on the Issuer's common shares listed on the TSXV.

On December 23, 2014, the Issuer completed a share consolidation whereby every 6 existing common shares of the Issuer were consolidated into 1 new common share of the Issuer, resulting in approximately 18,698,374 common shares of the Issuer issued and outstanding.

On January 14, 2015, the Issuer acquired 78% of THC Meds and THC BioMed in exchange for 44,612,736 common shares of the Issuer pursuant to the Share Exchange Agreement. Two of the shareholders of THC Meds and THC BioMed were unable to produce their share certificates at closing and were given additional time to locate their shares certificates or provide adequate legal documentation to replace them. On January 22, 2015, the Issuer completed the acquisition of the remaining 22% of THC Meds and THC BioMed in exchange for 12,363,510 common shares of the Issuer pursuant to the Share Exchange Agreement. The Issuer therefore purchased 100% of the issued and outstanding shares of THC Meds and THC BioMed in exchange for 56,976,246 of the Issuer's common shares. There are an additional 26,823,751 earn out shares that may be issued to the former shareholders of the THC Companies on the accomplishment of certain milestones: 16,600,000 to be released in the event that an MMPR license is granted by Health Canada to one of the two subsidiaries and 10,223,751 to be released pending the removal of certain potential liabilities of the THC Companies. Both THC Companies have made applications to become MMPR Licensed Producers. There can be no assurance that the Issuer will obtain an MMPR License.

THC BioMed had an exemption from Health Canada under Section 56 of Canada's *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marijuana at its facility in Kelowna, British Columbia. The exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014. The Issuer continues to evaluate new projects, including, but not limited to, opportunities in agriculture, finance, and resources.

On January 14, 2014, the Issuer appointed John Miller, Hee Jung Chun and George Smitherman to its Board of directors and John Miller as President and Chief Executive Officer. Also on January 14, 2014, John A. Roozendaal, Mark T. Tommasi and Scott Walters resigned from all positions with the Issuer.

On March 19, 2015, the Issuer extended the date for a warrant price increase from February 25, 2015 to September 25, 2015. Each outstanding warrant of the Issuer now entitles the holder to acquire one common share in the Issuer for a period of three years from the date of issuance, at a price of \$0.30 per common share until September 25, 2015 and \$0.60 per common share until the expiry of the warrant on September 25, 2016.

Significant Acquisitions and Dispositions

As described above under the title "The Acquisition", on January 22, 2015, the Issuer completed its acquisition of a 100% interest in two companies, THC Meds and THC BioMed. Please see the description above for more information.

On September 21, 2012, THC BioMed acquired a property in Kelowna, British Columbia to house its warehouse and laboratory facilities for \$291,526, of which \$162,140 was attributed to the land and \$129,386 to the building. The Issuer has upgraded this facility and intends for it to

become its MMPR production facility. All costs of modifications to the property to meet all specifications required by Health Canada have been capitalized to date along with the mortgage interest.

On October 2, 2014, the Issuer acquired an adjacent property for a second facility for \$339,618, of which \$198,167 was attributed to the land and \$141,451 to the building.

Medical Marihuana Background

The Issuer is in the process of becoming a licensed producer of medical marihuana in Canada (a “**Licensed Producer**”). The Issuer has applied to Health Canada for two medical marihuana production and distribution licenses (each an “**MMPR License**”) under the recently enacted Marihuana for Medical Purposes Regulations (“**MMPR**”), which came into effect on April 1, 2014.

THC BioMed had an exemption from Health Canada under Section 56 of Canada’s *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marihuana at its facility in Kelowna, British Columbia. The exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014. The Issuer has modified its existing medical marihuana growing facility to the standards required by Health Canada in anticipation of the MMPR License being issued to THC BioMed. On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Issuer’s existing facility in Kelowna. On February 11, 2015, Health Canada sent a list of comments for further modifications that were required at the facility to meet the requirements. On February 25, 2015, Health Canada confirmed receipt of the confirmation that THC BioMed had completed the further modifications and its readiness for the granting of the MMPR license to THC BioMed.

The consultants and management of THC BioMed and THC Meds have been retained as consultants of the Issuer. These individuals operated a medical marihuana growing facility in Kelowna, British Columbia from August 2013 to August 2014.

The Issuer, through its subsidiary THC Meds, has acquired a second property in Kelowna, British Columbia to use for its second production facility for the MMPR License sought by its wholly-owned subsidiary, THC Meds. The construction of the second growing facility is expected to begin in the second quarter of the 2015 calendar year.

There can be no assurance that the Issuer will obtain an MMPR License and in that event, the Issuer will focus on the other aspect of its business, the development and sale of products and services – see Section 4, “Narrative Description of the Business – Description of the Business”.

Diamonds

On January 14, 2015, the Issuer completed a statutory plan of arrangement (the “**Diamonds Plan of Arrangement**”) with Thelon Diamond Company Limited (“**TD Company**”), a company incorporated under the BCBCA, and Thelon Diamonds Ltd. (“**Thelon Diamonds**”), a company incorporated under the BCBCA, for the purpose of divesting of its interest in the NWT Head Agreements, the NWT Diamonds Claims and the and the NWT Joint Venture. Immediately prior to the completion of the Diamonds Plan of Arrangement, the Issuer was the sole shareholder of Thelon Diamonds. Pursuant to the Diamonds Plan of Arrangement, TD Company acquired all issued and outstanding shares in Thelon Diamonds from the Issuer in consideration for \$1,000. TD Company and Thelon Diamonds then exchanged shares on a one-for-one basis and Thelon

Diamonds issued 2,260,000 common shares (the “**Diamonds Shares**”) in its authorized capital to the Issuer in exchange for an assignment of all of the Issuer’s right to and interest in the NWT Head Agreement, the NWT Diamonds Claims and the NWT Joint Venture. The Issuer then reduced its paid-up capital by \$60,000, being the amount equal to the value of the Diamonds Shares and the Diamonds Shares were distributed to the Issuer’s shareholders holding shares as of October 21, 2014 (the record date) as payment towards the return and reduction of paid-up capital.

Material Trends, Commitments, Events and Uncertainties

On April 1, 2014, the Canadian MMPR came into effect, providing a highly regulated regime for companies to become and operate as MMPR Licensed Producers with safety, security, quality and testing requirements for the production of medical marihuana for Canadian patients with the appropriate medical prescriptions.

Health Canada reports having received more than 700 MMPR Licensed Producer applications, having rejected close to 220 of those applications and being in the process of reviewing approximately 475 applications (Source: The Star, April 18, 2014.) Health Canada further reports that it has not placed a cap on the number of licenses that it will grant under MMPR (Source: Health Canada at <http://www.hc-sc.gc.ca/dhp-mps/marihuana/info/faq-eng.php>).

The previous Canadian medical marihuana regime, the *Medical Marihuana Access Regulations* (“**MMAR**”) was supposed to be rescinded and replaced by MMPR on March 31, 2014. However, on March 21, 2014 the Federal Court issued an injunction, allowing people with licenses under MMAR to continue to grow and consume marihuana in accordance with MMAR until a constitutional hearing of the new system can be held. The date for the constitutional hearing has not been set but the injunction from the Federal Court stated that it would be expected to occur within nine to twelve months.

The Issuer believes that some MMPR Licensed Producers are encountering difficulties in meeting demand and providing the quality, strains and quantity of medical marihuana required by patients. The Issuer intends to find, develop and offer solutions to MMPR Licensed Producers to assist them with the challenges of operating as an MMPR Licensed Producer.

The Issuer also intends to become and operate as an MMPR Licensed Producer and has acquired a 100% majority interest in two companies that have applied to Health Canada to become MMPR Licensed Producers. THC BioMed had an exemption from Health Canada under Section 56 of Canada’s *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marihuana at its facility in Kelowna, British Columbia. The exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014. The experience gained by THC BioMed during the effectiveness of the exemption will be invaluable to the Issuer in becoming and operating as a licensed producer and developing products and services for MMPR Licensed Producers.

Development of the Business over the Previous Two Most Recently Completed Fiscal years ended September 30, 2014 and 2013

During the fiscal years ended September 30, 2014 and 2013, the Issuer was engaged in the business of mineral resources acquisition and exploration.

On December 22, 2014, the Issuer obtained a mutual release from the parties to a Letter of

Agreement and a Share Purchase Agreement for full and final release of any and all claims between them. Details of the Letter of Agreement and a Share Purchase Agreement are as follows:

The Issuer entered into a Letter of Agreement, dated May 27, 2010, to acquire 100% of the Jellico Coal Property which consisted of approximately 6,000 acres of coal mineral and surface rights in Campbell and Clairborne counties in the State of Tennessee. The Issuer entered into a Share Purchase Agreement on December 14, 2010, amended on March 16, 2011 and August 8, 2011, to purchase 100% of the issued and outstanding shares of Clear Fork Mining Company, which owned 100% of the Jellico Coal property. The purchase price was 7,000,000 common shares (issued); US\$1,000,000 (paid) on signing; US\$3,000,000 (US\$2,736,374 paid) due December 15, 2011; take over debt obligations of the vendor of approximately US\$4,800,000 effective December 15, 2011; and the issuance a promissory note to the vendor for US\$8,485,000 due in 10 years bearing interest at a rate of 6% per annum, interest paid monthly, with an annual payment starting on or before December 31, 2013 of 10% of the principal upon closing. A bonus of \$50,000 was paid to a company controlled by a director on this transaction. This transaction was subject to finder's fees in accordance with TSX Venture Exchange policy and subject to TSX Venture Exchange approval. Closing was to occur upon the final payment of US\$303,626. At September 30, 2013, the Issuer had been unable to make the required payments to close the transaction and recorded an impairment of \$5,819,820 against the accumulated costs to reflect the uncertainty around completion of the acquisition.

On October 31, 2014, the Issuer entered into a letter of intent with Canadian Mining Company Inc. (CNG-TSX.V) to test zeolite in the growing of medical marijuana. The letter of intent replaces a memorandum of understanding previously entered into by the parties on April 16, 2014. The Issuer has an option to earn up to a 50% interest in the Sun Group Zeolite Project in Princeton, British Columbia. The letter of intent will terminate upon the earlier of the execution and delivery of a JV Agreement by each party to the other or on June 30, 2015.

4. Narrative Description of the Business

Description of the Business

The Issuer is in the process of becoming a MMPR Licensed Producer. The Issuer's two wholly-owned subsidiaries have each made application to Health Canada for a medical marijuana production and distribution license (each an "**MMPR Production License**") under the recently enacted MMPR, which came into effect on April 1, 2014. The Issuer intends to supply medical marijuana to other MMPR Licensed Producers and patients directly or through physicians, as permitted by the MMPR.

On January 22, 2015, Health Canada conducted its pre-licensing inspection of the Issuer's existing facility in Kelowna. On February 11, 2015, Health Canada sent a list of comments for further modifications that were required at the existing facility in order to meet MMPR requirements. On February 27, 2015, Health Canada acknowledged receipt of the Issuer's information confirming completion of the further modifications and readiness for the granting of an MMPR license to THC BioMed Ltd.

The Issuer is also in the business of developing technologies, products and services to support MMPR Licensed Producers. MMPR has created a new, for-profit medical marijuana industry in Canada. This new industry requires support from firms offering security, software, equipment, legal, finance, supplies and logistics products and services ("**Suppliers**"). The Issuer has two

agreements with other companies for the development and sale of products and services to MMPR Licensed Producers. The first agreement is with a TSXV-listed company for the testing of a zeolite-based fertilizer for use in the growing of medical marihuana. The second agreement is for the development of royalty arrangements with various MMPR Licensed Producers in exchange for the provisions of legal supplies of dried medical marihuana and support services.

Becoming and Operating as an MMPR Licensed Producer

The Issuer has two wholly-owned subsidiaries, each of which has applied to Health Canada to become MMPR Licensed Producers. THC BioMed had an exemption from Health Canada under Section 56 of Canada's *Controlled Drugs and Substances Act*. The exemption permitted THC BioMed to produce, possess and conduct research and development on marihuana at its facility in Kelowna, British Columbia. The exemption did not authorize THC BioMed to re-sell the cannabis grown at its licensed facility. The exemption was in effect from August 2013 to August 2014. The Issuer has modified its existing medical marihuana growing facility to the standards required by Health Canada in advance of the MMPR License being issued to THC BioMed. Once it obtains an MMPR License, the Issuer intends to develop and test the zeolite-based fertilizer, the target market of which is growers of all hydroponic, aquaponic and soil crops, including marihuana.

The Issuer intends to obtain two licenses under MMPR and operate as a MMPR Licensed Producer. However, there is no guarantee that the Issuer will obtain an MMPR License and in that event, the Issuer will focus on the other aspect of its business, the development and sale of products and services, including research and testing.

The Issuer has reviewed its two MMPR License applications and believes that they answer and address all of the criteria imposed on applicants. The Issuer believes that the two licenses will be approved but recognizes that approval is not guaranteed pursuant to Health Canada's process. In the event that one or more of the license applications are approved, the Issuer will apply for approval to begin step two of the process to obtain a MMPR License. Given THC BioMed's experience in the industry and that it has completed renovations to the existing growing facility, the Issuer hopes to receive approval for a MMPR License very soon. In that event, it plans to be cultivating and harvesting dried marihuana during the fourth quarter of the 2015 calendar year.

The Issuer intends to complete a financing of approximately \$1,000,000 to pay its costs of supplies, labour, marketing and general and administrative until at least one growing facility is in production. The Issuer intends to complete this financing following the completion of the Issuer's listing on the CSE.

Business Objectives

In the short-term, the Issuer intends to become an MMPR Licensed Producer and to develop its technologies, products and services that it will use itself and offer to other MMPR Licensed Producers. The Issuer intends to become an MMPR Licensed Producer by April 2015, depending on Health Canada's timeline, and be in production soon after that. Because the facility that is to become the Issuer's first MMPR licensed medical marihuana growing facility previously operated as a medical marihuana research and development growing facility and has been renovated to meet Health Canada's requirements under MMPR, the Issuer expects that the transition to growing medical marihuana pursuant to an MMPR License will be relatively straightforward. The Issuer also expects that the facility will be an ideal location for the development and testing of the zeolite-based fertilizer, aimed at growers of all hydroponic, aquaponic and soil crops including

marihuana, pursuant to its arrangement with Canadian Mining.

The Issuer intends to obtain clients for its medical marihuana product through its marketing plan. See “Business Objectives - Marketing Plan”. The Issuer aims to become a leader in the industry by producing a product of high quality and reliable quantity. The Issuer intends to raise additional funds (approximately \$1,000,000) to initiate its marketing plan, and begin growing commercial medical marihuana by April 2015. If the Issuer is able to adhere to this schedule, which will largely depend on Health Canada, then it expects to be selling its medical marihuana product and earning revenues by the third quarter of the 2015 calendar year.

1. **Target Market.** The Issuer intends to sell its products and services, including medical marihuana, to other MMPR Licensed Producers, patients and physicians.
2. **Marketing and Branding.** The Issuer will develop recognition of its brand and quality through a high quality web presence and participation in industry events. The Issuer has secured the website www.thcbiomed.com and the website is currently under development. The Issuer intends to comply with all advertising prohibitions and marketing restrictions of the Food and Drug Act, the Narcotic Control Regulations and the MMPR.
3. **Personnel.** The Issuer intends to engage new professionals as required, be it on the board of directors, sales and marketing to fulfill the Issuer’s current business objectives and to prepare the Issuer for changes and developing opportunities in the industry.
4. **Monitoring and development of Growing Plan.** The Issuer intends to continuously monitor and attempt to maximize the quantity and quality of its medical marihuana product. The Issuer further intends to continue to develop technologies, products and services that will assist the Issuer and other MMPR Licensed Producers to grow the best product possible, in sufficient quantity and for reasonable costs.

During the medium-term (2015-2017), the Issuer intends to pursue its second MMPR License, build its second growing facility and begin to produce and sell medical marihuana from that second growing facility. The Issuer also intends to continue to develop and, where applicable, sell products such as the zeolite fertilizer, to other medical marihuana producers, including those in the United States. The Issuer will consider expanding its initial growing facility during this period and assess the potential benefits of increasing capacity and production.

Licenses and Permits

Under MMPR, a company that wishes to commercially produce and/or distribute medical marihuana must obtain a License to operate as an MMPR Licensed Producer. In order to obtain such a license, the applicant must:

- (a) show that they are an adult who ordinarily resides in Canada, or a corporation that has its head office in Canada or operates a branch office in Canada and whose officers and directors are all adults;
- (b) designate one senior person in charge of overall management of the activities carried out by the MMPR Licensed Producer;
- (c) designate one responsible person in charge to work at the MMPR Licensed Producer’s site and have responsibility for supervising regulatory compliance of the MMPR Licensed Producer’s activities;
- (d) submit details around the identity of the person or company applying for the license as well as the location and contact information for each proposed production site and each building within the site if applicable;

- (e) submit the proposed activities to be conducted at each site, the purpose of the proposed activities, and the substance(s) in respect of which the activities are to be conducted;
- (f) submit a detailed description of the security measures at the proposed site;
- (g) submit a detailed description of the proposed record-keeping method;
- (h) submit the maximum quantity of dried marihuana to be produced under the license and the production period;
- (i) submit the maximum quantity of dried marihuana to be sold or provided by the applicant under the license;
- (j) submit a report written by a quality assurance person establishing that the buildings, equipment and sanitation program to be used in the license activities complies with the MMPR's Good Production Practices requirements; and
- (k) gain security clearance for the senior person in charge, the responsible person in charge, the individual licensee if the MMPR License is issued to an individual, and each officer and director of the corporation licensee if the MMPR License is issued to a corporation.

Prior to submitting an MMPR License application, the applicant must provide written notice to the local government, the local fire authority, and the local police force or the Royal Canadian Mounted Police in the area in which the production site is located.

An MMPR License is valid for the period indicated on that particular license, which is determined by the issuing Minister at the time of issuance but will not be for more than three years. Prior to the expiry date of a license, an MMPR Licensed Producer that wishes to renew its license must submit an application for renewal to Health Canada. The application for renewal must include the original license and a declaration that all of the information shown on the original license is correct and complete. Following the application for renewal, the Minister must issue a renewed license unless he has grounds for refusal pursuant to section 26 of MMPR.

An MMPR Licensed Producer may engage in the following activities:

- (a) possessing, producing, selling, providing, shipping, delivering, transporting and destroying marihuana;
- (b) possessing and producing cannabis, other than marihuana, solely for the purpose of conducting in vitro testing that is necessary to determine the percentages of cannabinoids in dried marihuana;
- (c) selling, providing, shipping, delivering, transporting and destroying cannabis, other than marihuana, that was obtained or produced solely for the purpose of conducting the aforementioned in vitro testing;
- (d) shipping dried marihuana to a health care practitioner in the case referred to in subparagraph 108(1)(f)(iii) of the MMPR;
- (e) importing marihuana in accordance with an import permit issued under s. 75 of the MMPR; and,
- (f) possessing and exporting marihuana in accordance with an export permit issued under s. 83 of the MMPR.

An MMPR Licensed Producer may sell or provide marihuana and cannabis that was obtained or produced solely for the purpose of conducting the aforementioned in vitro testing to:

- (a) another MMPR Licensed Producer;
- (b) a licensed dealer;
- (c) the Minister; or
- (d) a person to whom an exemption relating to the substance has been granted under s. 56 of Canada's *Controlled Drugs and Substances Act* "CDSA".

An MMPR Licensed Producer may sell or provide dried marihuana to:

- (a) a client of that Producer or an individual who is responsible for the client;
- (b) a hospital employee, if the purpose of their possession of the dried marihuana is in connection with their employment; or
- (c) a person to whom an exemption relating to the dried marihuana has been granted under s. 56 of the CDSA.

The MMPR allows doctors or nurse practitioners to write a one-page prescription for up to a year's supply of dried medical marihuana with a maximum shipment size of 150 grams per month. All approved MMPR Licensed Producers are listed on a Health Canada website for doctor referral. Patients send the original prescription to their preferred supplier, who then ships product directly to them or their doctor for pick-up; however, no retail sales are permitted.

Division 3 of the MMPR, 'Security Measures', sets out physical security requirements that are necessary to secure sites where MMPR Licensed Producers conduct activities with marihuana other than storage, and Health Canada's Directive on Physical Security Requirements for Controlled Substances provides technical detail as to how to meet these security requirements. The government of Canada outlines the following measures to meet MMPR requirements:

- signage and physical barriers (eg. a fence) indicating unauthorized access is prohibited;
- minimized entrances to reduce security threats, and reinforced doors where cannabis is present;
- glazing panel security and sensory monitoring systems of the same;
- video surveillance systems of site perimeter and cannabis storage areas;
- backup systems for all security measures;
- key-coded, electronic access control systems to perimeter and any areas cannabis is located;
- intrusion detection system with personal or remotely accessible monitoring;
- records of security monitoring;
- contingency plans for security breaches;
- power supply to maintain continuous operation of all security programs; and,
- air filtration systems that control release of pollen, odours and all other particles from facility.

The Issuer believes it will meet and exceed the aforementioned regulatory requirements.

Operations

Renewing Business Strategies under the MMPR

From August 2013 to August 2014, the management and personnel of one of the Issuer's two wholly-owned operating subsidiaries grew medical marihuana and conducted research and development. The management and personnel from the two subsidiaries have been retained by the Issuer. The Issuer believes that it will have a competitive advantage in operations compared to many MMPR Licensed Producers that have not had the benefit of recent medical marihuana production within Health Canada's requirements and the results of their own research and development related to growing methods and quality assurance.

Projected Expenses

The Issuer expects that in the course of, and subsequent to, obtaining a MMPR License it will

require financing of approximately \$1,000,000. These funds will be used for maintenance and improvements to the existing growing facility, construction of its second growing facility, payments of the mortgage for its current properties, developing and testing the zeolite-based fertilizer, salaries, marketing costs, general and administrative expenses, and as a contingency fund for unexpected expenses.

State of the Market

Legislative Changes

Health Canada is the Federal department responsible for helping Canadians maintain and improve their health, while respecting individual choices and circumstances. Health Canada has noted that it is committed to providing reasonable access to marihuana for medicinal purposes, while protecting public safety.

In 2001, the first government regulations were introduced under MMAR. In the first year the number of people authorized to possess marihuana for medical purposes stood at less than 100. In time that number has grown to approximately 40,000. The federal government has found that the MMAR is not equipped to handle rapid growth of the industry.

The MMAR allowed registered persons to grow marihuana in private homes, which has resulted in increased risks to health, safety and security. For example, the high value of marihuana on the illicit market increases the risks of home invasion and diversion. These production operations also present fire and toxic mold hazards. The risks are not only felt by the home producers, but also by their neighbors and the community. As a result, Health Canada's new MMPR model attempts to change the regulation of marihuana to treat it like other narcotic drugs used for medical purposes by only allowing prescribed dosages from medical professionals.

The change in regulation structure has resulted in litigation against the government from people registered under the MMAR to grow their own marihuana. On March 21, 2014, the decision in *Allard v Canada* 2014 FC 280 was released and the Federal Court granted an interim injunction against the federal government's plans to end the practice of "grow-your-own medical marihuana" under the MMAR. The upshot of the injunction is that current growers of their own medical marihuana under the MMAR are exempted from the MMPR until a final order is made. The trial is expected to be heard sometime in 2015. Even with the pending litigation and uncertainty arising from what the Federal Court will decide, Health Canada is continuing to implement the MMPR and is accepting new licensing applications.

Demand for the Product

The MMPR's delivery systems and safety standards combined with continued research and education by private distributors will provide for continued growth of a new customer base. The potential profit for commercial producers is significant by capitalizing on a growth in customer base. Health Canada estimates that the number of licensed medical marihuana consumers currently listed under the MMAR will increase almost ten-fold to over 300,000 under the MMPR in the next decade. As a result of the increase in customer demand, the expected revenues for the Canadian medical marihuana industry by 2024 is \$1.3 billion. As a result, the MMAR users who refuse to switch regimes will inevitably become the minority and are not expected to hinder the market for MMPR Licensed Producers.

Trends, Commitments, Events or Uncertainties

The Issuer does not know of any other trends, commitments, events or uncertainties that are expected to materially affect the Issuer's business, financial condition or results of operations other than as disclosed in "Section 3, General Development of the Business", "Section 4, Narrative Description of the Business" and "Section 17, Risk Factors" herein.

Technologies, Products and Services for MMPR Licensed Producers

The Issuer is also in the business of developing technologies, products and services to support MMPR Licensed Producers under Canada's MMPR.

MMPR has created a new, for-profit medical marijuana industry in Canada. This new industry requires Suppliers and the Issuer believes that MMPR Licensed Producers will benefit most from Suppliers that are familiar with the MMPR's legal framework and can ensure regulatory compliance in relation to the services they provide.

The first stage of the Issuer's business will be to develop and market Zeolitic substrates and Zeoponic Fertilizer for the growth of medical Marijuana with Canadian Mining. Once the development is complete, the Issuer intends to conduct tests with MMPR Licensed Producers. The Issuer anticipates the development and certification to be complete within the six months following the date of this Listing Application at an estimated cost of approximately \$75,000.

Principal Products or Services

The Issuer is in the process of developing the following opportunities for the development and sale of technologies, products and services:

Zeolite Fertilizer

Through its arrangement with Canadian Mining, the Issuer intends to participate in the development and testing of a zeolite-based fertilizer aimed at growers of all hydroponic, aquaponic and soil crops, including marijuana. It further intends to market, distribute and sell the resulting fertilizer product. The Zeolite MOU includes a statement of intent by the parties that the Issuer will receive an option to earn up to a 50% interest in Canadian Mining's Sun Group Zeolite Project in Princeton, British Columbia.

Zeolites are minerals that are used in several commercial applications, including as absorbents and fertilizers. The Issuer believes that zeolites' unique structure, which holds a network of pores, allows zeolites to trap and exchange valuable nutrients better than standard fertilizer mediums. The Issuer intends to use its geological background to co-develop healthier nutrient inputs and conditioners for all hydroponic, aquaponic, and soil crops, including marijuana. The Issuer will bear all of the costs of developing and testing the zeolite fertilizer as well as having it certified for use in the medical marijuana business. In exchange, the Issuer is to receive the exclusive marketing and distribution rights for all zeolite products developed through Canadian Mining for use in the medical marijuana industry. The Issuer will also have the right to earn up to a 50% interest in the Sun Group Zeolite Project in Princeton, British Columbia.

The fertilizer being developed by the Sun Group Zeolite Project is designed to use the characteristics of zeolites as a superior "fertilizer manager". Zeolite is particularly valuable in holding and slowly releasing valuable nutrients to plants. As a result, it promotes better plant growth by improving the value of fertilizers. Crops grown in soil with zeolite have faster growth rates and higher yields. The more efficient use of minerals already in soil also means lower fertilizer and water requirements which in turn reduces the amounts of fertilizers leaching into

ground water.

Canadian Mining has a competitive advantage in the world of zeolites given that its product has been tested and meets the standards of certain markets. Canadian Mining and the Issuer intend to conduct further testing on the product, refine it, if necessary, take steps to protect certain intellectual property and proprietary rights, have the product certified and launch enhanced marketing efforts.

Canadian Mining is a Vancouver based company involved in the exploration, development and production of the industrial mineral, zeolite. Canadian Mining is a producer of natural zeolite from several of its deposits in British Columbia, Canada.

Royalty Agreements

The Issuer anticipates that MMPR Licensed Producers are experiencing and will continue to experience difficulties in producing enough medical marijuana to meet demand. Although MMPR Licensed Producers are legally allowed to source their inventory from certain producers, there are strict regulations that must be adhered to in order to do this. Furthermore, it is a matter of private negotiations and legal work to arrange and complete the agreements between the parties so that the provision of medical marijuana supplies can begin. Many MMPR Licensed Producers will not have the resources to adequately focus on this aspect of the business. Pursuant to an agreement dated April 10, 2014, the Issuer and Net Gram are developing services that would enable an MMPR Licensed Producer to outsource most aspects of this part of the business, freeing up the management of the MMPR Licensed Producer to focus on the main core of their business.

Revenue Model

The Issuer intends to pursue offering various products and services in the area of medical marijuana production and sale. The revenue model will differ from item to item. For example, in the agreement with Canadian Mining, the Issuer will earn the consideration of up to 50% ownership in the Sun Group Zeolite Project. When it earns its ownership in the Sun Group Zeolite Project, the Issuer intends to earn revenue from its exclusive marketing and distribution rights on all zeolite products developed through Canadian Mining for use in the medical marijuana industry.

The Issuer intends to establish competitive prices and arrangements for the provision of services to MMPR Licensed Producers, including the zeolite fertilizer. Those prices and arrangements have not yet been established.

Pricing for Services and Products

The Issuer plans to offer competitive pricing and unique services to attract and maintain customers. The pricing will vary from product to product and service to service, as appropriate given the particular item, market conditions for the product or service and the cost to the Issuer of providing the product or service.

Total Funds Available, Breakdown of Funds and Principal Purposes for Which Funds Will be Used

The Issuer had the following total funds available as of February 28, 2015:

Item	\$	\$
Available Funds		
Estimated Consolidated Working capital (or deficiency) at February 28, 2015		(163,023)
Renegotiation of mortgage		210,560
Promissory Note		90,377
Working Capital		137,914
Principal Purposes		
Consulting and Professional Fees	(100,000)	
Mortgage payments for purchase of THC properties for 12 months	(65,000)	
Salaries	(290,000)	
General and administrative expenses		
Office Lease	(3,600)	
Telephone and Mobile Devices	(500)	
Computer Equipment	N/A	
Office Supplies	(250)	
Incidentals and Miscellaneous Expenses	(2,500)	
CSE Listing Fees	(12,500)	
Miscellaneous	(10,000)	
Final Agreement with Canadian Mining	(5,000)	
Complete testing, development and certification of zeolite fertilizer	(75,000)	
Produce, market, sell and distribute zeolite fertilizer	(75,000)	
Obtain an MMPR License and all other permits	(100,000)	
Initiate marketing plan	(60,000)	
Begin growing commercial medical marihuana	(150,000)	
Commence selling of medical marihuana	(100,000)	
Estimated Total for Principal Purposes		(\$1,049,350)
Estimated Required Additional Funds		(\$911,436)

The Issuer plans to raise approximately \$1,000,000 shortly after its common shares have been listed for trading on the CSE. There can be no assurance that the Issuer will be able to raise such additional financing at all or on terms that are satisfactory to management.

Business Objectives

Objectives within a 12 Month Period

Within the next 12 months after completion of the listing on the CSE, the objectives the Issuer plans to pursue are as follows:

- Obtain one or more MMPR Licenses and all other permits. THC Meds and THC BioMed are in the process of obtaining MMPR Licenses to operate as regulated medical marihuana producers in Canada. The Issuer believes that at least one of its two wholly-owned operating subsidiaries will have obtained its MMPR License by the end of April 2015;
- The Issuer's initial success will be dependent on securing other MMPR Licensed Producers

as customers and delivering the right quantity and quality of product in a consistent manner;

- Enter into a final agreement with Canadian Mining;
- Complete testing, development and certification of Canadian Mining zeolite fertilizer;
- Produce, market, sell and distribute Canadian Mining zeolite fertilizer;
- Raise additional capital following the listing of the Issuer's common shares on the CSE; and,
- Continue to search for new opportunities in the field of the provisions of products and services for MMPR Licensed Producers.

Milestone	Timing	Estimated Cost to Complete
Real estate acquisition in Kelowna, British Columbia	Completed	\$65,000 (1 year of mortgage)
Enter into a final agreement with Canadian Mining	1 month	\$5,000
Complete testing, development and certification of zeolite fertilizer	5 months	\$75,000
Produce, market, sell and distribute zeolite fertilizer	6 months	\$75,000
Obtain an MMPR License and all other permits	6 months	\$100,000
Initiate marketing plan	6 months	\$60,000
Begin growing commercial medical marihuana	6 months	\$150,000
Commence selling of medical marihuana	8 months	\$100,000

Marketing Plan

To obtain clients for its MMPR Licensed Producer business, the Issuer will provide information to the public in accordance with all applicable laws and regulations. The Issuer also plans to host a website that will provide a user-friendly and attractive interface for MMPR Licensed Producers to learn about and contact the Issuer.

The Issuer intends to raise additional funds of approximately \$1,000,000 in its first year of operations following its listing on the CSE. Some of these funds are earmarked for the further development and execution of the Issuer's marketing plan. The goal of the marketing plan is to make the Issuer's medical marihuana, technologies, supplies and services for MMPR Licensed Producers known by MMPR Licensed Producers across Canada and connect the Issuer's brand with high quality products in the minds of its target market. In order to achieve its marketing goals, the Issuer is prepared to engage additional employees or consultants to carry out the job of marketing and sales as well as to prepare and present marketing, trade show and general educational and informational presentations.

Distribution Plan

Distribution of the Issuer's products and services will be determined pursuant to the needs of the customers and the practicalities relating to the particular product or service. The medical marihuana will be distributed in strict accordance with all applicable laws and regulations.

Target Market

Becoming and Operating as an MMPR Licensed Producer

The Issuer's target market for the medical marihuana product will be other MMPR Licensed Producers. As of March 30, 2015, Health Canada lists 17 companies licensed under MMPR to produce and sell medical marihuana. This is the target market of the Issuer. Health Canada estimates that the number of licensed medical marihuana patients currently listed under the MMAR will increase almost ten-fold to more than 450,000 under the MMPR in the next decade. (Source: Financial Press, May 21, 2014). The Issuer intends to place itself in the market so as to provide seeds and other supplies, services and technologies to MMPR Licensed Producers. The Issuer also intends to sell medical marihuana to patients directly or through physicians, as permitted by the MMPR.

Technologies, Products and Services for MMPR Licensed Producers

For its technologies, products and services for MMPR Licensed Producers, which are currently under development, the Issuers target market is comprised of MMPR Licensed Producers. As of March 30, 2015, Health Canada lists 17 MMPR Licensed Producers. Health Canada reports having received nearly 700 MMPR Licensed Producer applications, having rejected close to 220 of those applications and being in the process of reviewing approximately 475 applications (Source: The Star, April 18, 2014.) Health Canada further reports that it has not placed a cap on the number of licenses that it will grant under MMPR (Source: Health Canada at <http://www.hc-sc.gc.ca/dhp-mps/marihuana/info/faq-eng.php>).

There are approximately 40,000 qualified patients in Canada today and this number is projected to grow to more than 450,000 over the next 10 years (Source: Financial Press, May 21, 2014). The Issuer believes that this will require a substantial number of MMPR Licensed Producers to meet the demand and that these MMPR Licensed Producers will need to operate at a high level and produce reliable product.

In order to receive and maintain MMPR Licensed Producer status, a company must observe and maintain strict standards relating to all aspects of its business, including physical security measures, location, production practices, packaging, labelling, shipping, import, export and the security clearance of personnel. They must also comply with the provisions of the *Food and Drugs Act* and the *Narcotic Control Regulations* that apply to marihuana. The Issuer intends to examine all aspects of obtaining MMPR Licensed Producer status, operating as an MMPR Licensed Producer and maintaining MMPR Licensed Producer status to develop products and services that will be in demand by this growing, new market.

MMPR has created a new, for-profit medical marihuana industry in Canada. This new industry requires support from firms offering security, software, equipment, legal, supplies and logistics products and services.

The Issuer believes that MMPR Licensed Producers will benefit most from Suppliers that are familiar with the MMPR's legal framework and can ensure regulatory compliance in relation to the services they provide.

MMPR creates challenges for health-care professionals. Doctors and, in some provinces, nurse practitioners are tasked with determining whether to prescribe medical marijuana to patients. Some medical professionals and their professional associations have made statements protesting against being placed in this position. Others medical professionals have spoken out in favour of these developments and several physicians have announced plans to open specialist medical marijuana clinics. The Issuer is examining business opportunities in this sector.

MMPR Licensed Producers must overcome many legal, administrative and operational challenges in order to become and operate as a MMPR Licensed Producer. Health Canada requirements for the granting of a license are stringent and set a very high standard for security, quality control and standard operating procedures. There are several legal restrictions that MMPR Licensed Producers will need to address in order to maintain their licenses. For example, Canada's *Narcotic Control Regulations* prohibit the advertising of narcotics to the general public. MMPR Licensed Producers must obtain guidance and act with caution when marketing or providing information to the public because a violation of the applicable laws has serious repercussions, possibly including the revocation of a producer's license. Many applicants who have experience in agriculture and/or business and financing but are not accustomed to pharmaceutical-level security and operations will likely find many of Health Canada's requirements difficult to meet and maintain without assistance from expert Suppliers. The Issuer is examining business opportunities in this sector.

MMPR places legal requirements on MMPR Licensed Producers that not even pharmaceutical companies have to face in that MMPR Licensed Producers must deal directly with patients while pharmaceutical companies deal with doctors, hospitals and pharmacies. MMPR Licensed Producers must comply with requirements relating to the collection, use and disclosure of patient personal health information and with Canada's new anti-spam legislation as it relates to interactions with patients and the general public.

As Canada's for-profit, medical marijuana industry continues to develop, MMPR Licensed Producers can be expected to contract with Suppliers to help ensure efficiency, quality and reliability in their processes of production, testing, packaging, marketing and distribution. The Issuer intends to provide many of the products and services that will be required by MMPR Licensed Producers in these areas.

Major Markets

As of the date of this Information, there are 17 MMPR Licensed Producers. While the major markets for the Issuer's services are in British Columbia and Ontario, the Issuer intends to offer its services nationwide and equally to all MMPR Licensed Producers and patients.

Competitors

As of the date of this Information, there were 17 MMPR Licensed Producers published on the Health Canada website authorized to produce and sell medical marijuana to eligible persons under the MMPR. While there may be other companies who have elected not to have their names published, the competition is still limited given the newly legislated legal regime. The companies who Health Canada has published as MMPR Licensed Producers are contained in the table below:

Aphria
Bedrocan Canada Inc.
Broken Coast Cannabis Ltd.
Canna Farms Ltd.
CanniMed Ltd.
CannTrust Inc.
Delta 9 Bio-Tech Inc.
In The Zone Produce Ltd.
MariCann Inc.
MedReleaf Corp.
Mettrum Ltd.
OrganiGram Inc.
RedeCan Pharm
The Peace Naturals Project Inc
Tilray
Tweed Inc.
Whistler Medical Marijuana Corp.

Health Canada reports having received nearly 700 MMPR Licensed Producer applications, having rejected close to 220 of those applications and being in the process of reviewing approximately 475 applications (Source: The Star, April 18, 2014.) Health Canada further reports that it has not placed a cap on the number of licenses that it will grant under MMPR (Source: Health Canada at <http://www.hc-sc.gc.ca/dhp-mps/marihuana/info/faq-eng.php>). The Issuer will compete with all companies who obtain MMPR Licenses.

Direct Competitors

There are a substantial number of competitors in the general areas of services that could be used by MMPR Licensed Producers; however, the Issuer is not aware of substantial Suppliers who are focussed on MMPR Licensed Producers. This is a new industry and the Issuer intends to be an early mover in order to gain competitive advantage over Suppliers who arise in the future.

The current direct competitors with the Issuer are:

MMPR Licensed Producers' own, in-house employees and consultants. While MMPR Licensed Producers will be able to develop many skills in-house, the Issuer believes that the need for external Suppliers will be great since the time period for the provision of the goods and services by the MMPR Licensed Producers will be short and a large quantity of product is expected to be required from the MMPR Licensed Producers.

Advanced Nutrients – A company focussed on providing fertilizer specifically for the growth of marihuana. This company does not, to the Issuer's knowledge, offer zeolite products.

Jourdan Resources Inc. – A Canadian resource issuer developing fertilizer for the marihuana industry. Jourdan is a phosphate resource exploration and development company and, to the Issuer's knowledge, is not developing a zeolite fertilizer.

Indirect Competitors

As the Issuer is currently focussing on the testing, development and marketing of the zeolite fertilizer through its arrangement with Canadian Mining, the following Suppliers are some of the Issuers current indirect competitors:

- Alpine Plant Foods – represents the highest sales of seed placed liquid fertilizer in Canada, with its own lines of starter nutrition, staged foliar nutrition and micronutrients, for many forms of agriculture; and,
- Agrico Canada L.P. – offers several fertilizer options for many forms of agriculture.

Competitive Advantages

The Issuer believes that its competitive advantage will be the network of connections and arrangements it has already begun regarding the provision of products and services to MMPR Licensed Producers, its ability to raise financing for the development of these products and services and the fact that the Issuer intends to benefit from its early entry into this new industry. Furthermore, the Issuer is currently focussed on becoming an MMPR Licensed Producer to offer medical marihuana to other MMPR Licensed Producers and the development of a fertilizer specifically for MMPR Licensed Issuers.

For the medical marihuana product, the Issuer believes that most MMPR Licensed Producers are intent on offering medical marihuana directly to patients and that they will need to purchase product from Suppliers to supplement the amounts that they themselves will be able to produce.

For the fertilizer product, most fertilizer companies do not have products tailored to the specific needs of the medical marihuana industry. The fertilizer companies who are making products for marihuana growth specifically have not developed the use of zeolites in their fertilizer. The Issuer believes that zeolites will make its product a better fertilizer for marihuana growth. Since the Issuer is developing the fertilizer in connection with a zeolite producer, it also has the advantage of being in business with a supplier of the key ingredient.

Information Concerning the Development of Products and Services

See “General Development of the Business”

Proposed Method of Providing Services

See “Narrative Description of the Business”

Specialized Skill and Knowledge Requirements

See “Narrative Description of the Business – Description of the Business”

Sources, Pricing and Availability of Raw Materials, Component Parts or Finished Products

See “Narrative Description of the Business – Principal Products or Services - Zeolite Fertilizer”

Intellectual Property

The Issuer intends to develop intellectual property through the development of its products and

services. The Issuer intends to protect its intellectual property through patents and patents pending where such protection is determined to be advisable and commercially reasonable by the Issuer's management.

Seasonality of the Business

Not applicable

The Impact on Operations of Termination or Renegotiation of Contracts in the 12 Months Following the Date Hereof

Not applicable

The Impact of Environmental Protection Requirements

Not applicable

Number of Employees

As of the date of this Information, the Issuer employed ten (10) employees, being its executive officers and management of it and its two wholly-owned subsidiaries as well as the consultants preparing the medical marihuana growing facility for the anticipated issuance of the MMPR License. The Issuer plans to engage additional employees or consultants in the areas of product and service development.

Foreign Operations Risks

Not applicable

Dependence on Contracts

See "Material Contracts"

The Impact on Operations of Termination or Renegotiation of Contracts in the Current Financial Year

Not applicable

Lending Operations, Investment Policies and Lending and Investment Restrictions

Not applicable

Bankruptcy, Receivership or Similar Proceedings

Not applicable

Material Restructuring Transaction

Not applicable

Social or Environmental Policies

The previous Canadian medical marijuana regime, MMAR, was to have been rescinded and replaced by MMPR on March 31, 2014. However, on March 21, 2014 the Federal Court issued an injunction, allowing people with licenses under MMAR to continue to grow and consume marijuana in accordance with MMAR until a constitutional hearing of the new system can be held. The date for the constitutional hearing has not been set but the injunction from the Federal Court stated that it would be expected to occur within nine to twelve months.

While the outcome of the constitutional hearing is expected to have an impact on the Issuer's business, it is expected to be one of degrees: either some or all MMAR participants will be allowed to continue to grow and consume marijuana or they will not be. The Issuer expects the decision to possibly have an impact on the size of the market initially available to MMPR Licensed Producers but not to change the essential nature of the business of being an MMPR Licensed Producer or an MMPR Licensed Producer Supplier.

5. Selected Financial Information

Annual Information

The following table sets out certain financial information for the Issuer for each of the last three completed years for the years ended September 30, 2014, 2013 and 2012 and for the three months ended December 31, 2014.

The information provided below is qualified in its entirety by the audited and unaudited financial statements of THC BioMed Intl. that can be found on the SEDAR profile of the Issuer at www.sedar.com. Reference should be made to those financial statements.

	Year Ended September 30, 2014 \$	Year Ended September 30, 2013 \$	Year Ended September 30, 2012 \$	Three Months ended December 31, 2014 (Unaudited) \$
Total Revenue	Nil	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil	Nil
Gain on Sale of Investment	Nil	Nil	Nil	999
Gain on sale of mineral interest	Nil	Nil	Nil	57,923
Net income (loss):				
in total	(1,317,640)	(371,058)	(8,114,516)	(108,530)
on a per share basis	(0.08) ⁽¹⁾	(0.05) ⁽¹⁾	(0.19)	(0.01) ⁽¹⁾
fully diluted	(0.08) ⁽¹⁾	(0.05) ⁽¹⁾	(0.19)	(0.01) ⁽¹⁾
Current Assets	591,782	189,105	41,862	444,515
Current Liabilities	(468,602)	(678,582)	(449,138)	(292,067)
Working Capital (Deficit)	123,180	(489,477)	(407,276)	152,448
Total long-term financial liabilities	180,944	Nil	Nil	361,437
Cash dividends declared in total:				
on a per share basis	Nil	Nil	Nil	Nil
fully diluted share basis for each class of share	Nil	Nil	Nil	Nil
Impairment of mineral interest	Nil	Nil	(5,819,820)	Nil

	Year Ended September 30, 2014 \$	Year Ended September 30, 2013 \$	Year Ended September 30, 2012 \$	Three Months ended December 31, 2014 (Unaudited) \$
Write off of abandoned properties	Nil	Nil	(1,725,061)	Nil
Weighted average number of shares outstanding	17,253,443 ⁽¹⁾	7,255,369 ⁽¹⁾	7,134,314 ⁽¹⁾	18,698,374 ⁽¹⁾

⁽¹⁾ Adjusted to reflect the 6:1 share consolidation that was completed on December 23, 2014 on a retrospective basis.

THC BioMed Ltd.

The following table sets out certain financial information for the Issuer's wholly-owned subsidiary, THC BioMed for the year ended July 31, 2014 and the three months ended October 31, 2014 (unaudited). The information provided below is qualified in its entirety by the audited and unaudited financial statements of THC BioMed on the SEDAR profile of the Issuer at www.sedar.com. Reference should be made to those financial statements.

	For Year Ended July 31, 2014 \$	For Year Ended July 31, 2013 \$	For the Three Months Ended October 31, 2014 \$ (unaudited)
Total Revenue	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil
Net income (loss):			
in total	(214,101)	(31,108)	(173,462)
Basic and diluted loss per share	(107)	(311)	(14)
Current Assets	24,722	12,940	46,938
Total Assets	474,422	404,072	531,390
Current Liabilities	(205,351)	(213,673)	(388,758)
Total Liabilities	(581,525)	(435,179)	(388,758)
Working Capital (Deficit)	(180,629)	(200,733)	(341,820)
Cash dividends declared in total:			
on a per share basis	Nil	Nil	Nil
fully diluted share basis for each class of share	Nil	Nil	Nil

THC Meds Inc.

The following table sets out certain financial information for the Issuer's wholly-owned subsidiary, THC Meds for the period ended July 31, 2014 and the three months ended October 31, 2014 (unaudited). The information provided below is qualified in its entirety by the audited and unaudited financial statements of THC Meds on the SEDAR profile of the Issuer at www.sedar.com. Reference should be made to those financial statements.

	For Period from Incorporation to July 31, 2014 \$	For the Three Months Ended October 31, 2014 \$ (unaudited)
Total Revenue	Nil	Nil
Income from continuing operations	Nil	Nil
Net income (loss):		
in total	(1,241)	(5,615)
Basic and diluted loss per share	(0.41)	(0.45)
Current Assets	Nil	249,869
Total Assets	Nil	591,473
Current Liabilities	(1,241)	(24,214)
Total Liabilities	(1,241)	(267,022)
Working Capital (Deficit)	(1,241)	225,655

Quarterly Information

The following table sets out selected financial information for the eight most recently completed quarters ending at the end of the Issuer's most recently completed financial year.

	December 31, 2012 (Unaudited) \$	March 31, 2013 (Unaudited) \$	June 30, 2013 (Unaudited) \$	September 30, 2013 \$	December 31, 2013 (Unaudited) \$	March 31, 2014 (Unaudited) \$	June 30, 2014 (Unaudited) \$	September 30, 2014 \$
Total Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss):								
in total	(107,757)	(86,397)	(82,432)	(94,472)	(37,170)	(156,381)	(1,012,449)	(111,640)
Basic and diluted loss per share	(0.02) ⁽¹⁾	(0.01) ⁽¹⁾	(0.01) ⁽¹⁾	(0.01) ⁽¹⁾	(0.00) ⁽¹⁾	(0.02) ⁽¹⁾	(0.05) ⁽¹⁾	(0.01) ⁽¹⁾

⁽¹⁾ Adjusted to reflect the 6:1 share consolidation that was completed on December 23, 2014 on a retrospective basis.

Dividends

Dividends can be declared by the Issuer's board of directors when deemed appropriate from time to time. To date, the Issuer has not declared any dividends on the common shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future. The Issuer intends to retain earnings, if any, to finance growth. The payment of dividends in the future will depend on the Issuer's earnings and financial condition and such other factors as its board of directors may consider appropriate.

Foreign GAAP

Not applicable.

6. Management's Discussion and Analysis

The Annual MD&A and Interim MD&A are incorporated by reference into this Information and can be viewed at www.sedar.com.

7. Market for Securities

The Issuer's common shares are currently not listed on a stock exchange.

8. Consolidated Capitalization

The following table sets out the consolidated capitalization of the Issuer as at year end, September 30, 2014 and its most recent quarter ended at December 31, 2014.

Authorized	Outstanding at September 30, 2014	Outstanding at December 31, 2014
Long Term Debt	\$180,944	\$361,437
Common Shares (unlimited)	\$22,945,299	\$22,953,224

9. Options to Purchase Securities

As of the date of this Information, 1,583,334 of the Issuer's common shares are reserved for issuance pursuant to common stock purchase options, as set out below.

Optionee	Type of Option	Number of Common Shares under Option	Exercise Price	Expiry Date
Officers/Employees	Incentive Stock Option	333,333	\$0.60	April 20, 2016
Directors	Incentive Stock Option	250,000	\$0.60	April 20, 2016
Consultants	Incentive Stock Option	1,000,001	\$0.60	April 20, 2016
Total		1,583,334		

The Issuer has an option plan dated for reference February 10, 2015 (the "**Option Plan**") pursuant to which the board of the directors (the "**Board**") may, from time to time, grant options to directors, officers, employees and consultants of the Issuer. The number of Common Shares granted under each option and the vesting terms thereof are in the discretion of the Board. Options granted under the Option Plan must have a term of no more than 10 years from the date of grant. The exercise price of each option granted under the Option Plan is in the

discretion of the Board, provided that the exercise price cannot be below the closing price of the Common Shares on the TSXV on the last trading day before the date of grant. Any outstanding options granted under the Option Plan expire on a date not exceeding 90 days following the date that the holder ceases to be an officer, director, employee or consultant of the Issuer, as the case may be, except in the case of death in which case the options expire one year from the date of death. Options granted under the Option Plan are non-assignable and non-transferable.

Outstanding options granted under the Option Plan may be adjusted in certain events, as to exercise price (subject to disinterested shareholder approval prior to any reduction to the exercise price if the affected optionee is an insider (as defined in the Securities Act) of the Issuer at the time of the proposed amendment) and number of Common Shares, to prevent dilution or enlargement. The number of Common Shares that may be optioned under the Option Plan is limited to 10% of the outstanding Common Shares from time to time, provided that any one participant under the Option Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants) of the outstanding Common Shares in any 12 month period.

10. Description of the Securities

Authorized Capital

Common Shares. The authorized capital of the Issuer consists of an unlimited number of common shares without par value of which 75,674,620 common shares are issued and outstanding as at the date of this Information. Holders of the Issuer's common shares are entitled to notice of and to attend and vote at all meetings of shareholders declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer. Each common share entitles the holder thereof to one vote.

Warrants. The Issuer currently has 5,233,333 common share purchase warrants outstanding in its authorized capital. Each warrant entitles the holder to acquire one common share in the Issuer for a period of three years from the date of issuance, at a price of \$0.30 per common share until September 25, 2015 and \$0.60 per common share until the expiry date on until September 25, 2016.

Options. Pursuant to our stock option plan, stock options were granted to our directors, officers for the purchase of up to an aggregate of 1,583,334 common shares at an exercise price of \$0.60 per share, expiring April 10, 2016.

Modification of Terms

Subject to the BCBCA, the directors of the Issuer may by ordinary resolution create special rights or restrictions for and attach those special rights or restrictions to, or vary or delete any special rights or restrictions attached to, the shares of any class or series of shares, whether or not any or all of those shares have been issued, and alter its Notice of Articles and Articles accordingly.

Other Attributes

None.

Prior Sales

The following table summarizes the issuances of the Issuer's common shares or securities convertible into common shares for the 12 month period prior to the date of this Information.

Date Issued	Class of Security	Number of Common Shares Issued ⁽²⁾	Price/Deemed Price/Exercise Price of Security ⁽²⁾
March 27, 2014	Common Share Purchase Options	9,500,000 Options ⁽²⁾	\$0.10 ⁽²⁾
September 30, 2013	Units ⁽¹⁾	50,500,000 Common ⁽²⁾	\$0.005 ⁽²⁾
March 21, 2014	Warrants Exercised	5,000,000 Common ⁽²⁾	\$0.05 ⁽²⁾
March 28, 2014	Warrants Exercised	15,000,000 Common ⁽²⁾	\$0.05 ⁽²⁾
June 13, 2014	Warrants Exercised	100,000 Common ⁽²⁾	\$0.05 ⁽²⁾
January 14, 2015	Acquisition	44,612,736 Common	\$0.045
January 22, 2015	Acquisition	12,363,510 Common	\$0.045

(1) Each unit consisted of one common share and one non-transferable common share purchase warrant.

(2) These numbers have not been adjusted to reflect the 6:1 share consolidation completed on December 23, 2014.

Stock Exchange Price

The Issuer traded on the TSXV from February 4, 2010 until December 22, 2014 when the Issuer voluntarily delisted. The common shares of the Issuer were listed for trading on the TSXV under the trading symbol "THC". The following table sets forth the daily high and low closing trading prices and the volume of the trading of the Common Shares on the TSXV for the periods indicated as reported by Yahoo Finance.

Date	High	Low	Volume ⁽¹⁾
May 1 – 21, 2014	0.08	0.05	12,942,700
April 1 – 30, 2014	0.14	0.06	40,157,600
January 1 – March 31, 2014	0.17	0.01	53,438,100
October 1, 2013 – December 31, 2013	0.01	0.01	2,639,200
July 1, 2013 – September 30, 2013	0.01	0.01	4,106,400
April 1 – June 30, 2013	0.02	0.01	281,900
January 1 – March 31, 2013	0.03	0.02	1,081,000
October 1, 2012 – December 31, 2012	0.05	0.02	891,500
July 1, 2012 – September 30, 2012	0.05	0.01	4,522,600

(1) Represents the total volume of shares traded during the period indicated.

11. Escrowed Securities

The following table sets out the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, under stock restriction agreements between the Issuer and certain shareholders ("**Restriction Agreement.**")

Designation of class	Number of Common	Percentage of
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held under Restriction Agreement	Shares Restricted	Class ⁽¹⁾
Directors and Officers	46,051,852	61%
Control Persons	6,665,886	9%
Total	52,717,738	70%

⁽¹⁾ Based on a total of 75,674,620 issued and outstanding Issuer common shares.

The Restriction Agreement includes the following vesting provisions:

Release Date	Proportion of Released Shares
On the date the Issuer's securities are listed on a Canadian exchange (the "Listing Date")	1/10 of the Stock
6 months after the Listing Date	1/6 of the remainder of the Stock
12 months after the Listing Date	1/5 of the remainder of the Stock
18 months after the Listing Date	1/4 of the remainder of the Stock
24 months after the Listing Date	1/3 of the remainder of the Stock
30 months after the Listing Date	1/2 of the remainder of the Stock
36 months after the Listing Date	The remainder of the Stock

12. Principal Shareholders

The following table lists the Issuer's principal shareholders as of the date of this Information.

Name	Ownership	Number of Issuer Shares	Percentage ⁽¹⁾
Hee Jung Chun	Of record and beneficial	22,306,368	29%
John Miller	Of record and beneficial	22,306,368	29%

⁽¹⁾ Based on a total of 75,674,620 issued and outstanding Issuer common shares.

13. Directors and Officers

Management Experience

The following table sets out the names of current directors and executive officers, their respective principal occupations within the five preceding years, their effective date of appointment as directors or executive officers of the Issuer, and the number of the Issuer's shares that each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information.

Name of Nominee, Age, Municipality and Country of Residence and Current Position with the Issuer	Principal Occupation, Business or Employment of the Last Five Years and Educational Background	Director/Officer Since	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of the Date Hereof
<p>Jason Walsh Age 43 North Vancouver, B.C. Director</p>	<p>Director, Chief Financial Officer and Secretary of Scout Exploration Inc. (OTCQB:SCXN) from March 3, 2006 to the present.</p> <p>Director/Officer of the Issuer since April 2003.</p> <p>Director and officer of International Ranger Corp. (OTC Pink: IRNG) from February 2005 to the present.</p> <p>Officer (Secretary) of Zadar Ventures Ltd. (TSXV:ZAD) from April 9, 2010 to the present and CFO from June 22, 2010 to December 31, 2011.</p> <p>Director/CFO of Ringbolt Ventures Ltd. (TSX-Venture: RBV, Frankfurt: <u>3OZ</u>, OTCQX: <u>RNGTF</u>) from July 2006 to Nov 2008.</p> <p>Mr. Walsh has over 20 years of relevant business experience including 10 years as a stockbroker that allowed him to gather invaluable experience and insight into the formation and financing of venture capital companies. In 2003 he joined the Issuer as President and since that time has been responsible for the financing of the Issuer's projects and overseeing the Issuer's day-to-day operations.</p>	<p>April 2003</p>	<p>1,657,700⁽¹⁾</p>
<p>Geoff Watson Age 51 North Vancouver, B.C. CFO, Secretary and Director</p>	<p>Director and Officer with Eagle Mt. Gold Corp. (TSXV:Z, Frankfurt:E9X1, OTCQX:EMGCF) from December 2012 to March 2014.</p> <p>Director and officer of Zadar Ventures (TSXV:ZAD) from December 2011 to the present.</p> <p>Director/Officer of the Issuer since October 2010.</p> <p>Mr. Watson is currently the principal of GRW Inc. (formerly Complete Communications Inc.), a private company that provides services relating to accounting and financial matters.</p> <p>Mr. Watson completed the TSX Internal control workshop in May 2011 and the TSX Venture filing fundamentals course in June 2011.</p>	<p>October 2010</p>	<p>333,333⁽²⁾</p>

<p>George Smitherman Age 51 Toronto, Ontario Director</p>	<p>Dedicated more than 30 years to public policy fields at the Municipal, Provincial and Federal Level, where roles as Senior Advisor, Minister of Energy and Infrastructure and Ontario's Minister of Health were held</p> <p>During tenure as Minister of Health, 10 pieces of Legislation were shepherded, while working closely with a large Ministry legal team, Health Regulatory Bodies, Health Care Administrators and numerous patient and disease groups</p>	<p>January 14, 2015</p>	<p>4,956,970⁽³⁾</p>
<p>Hee Jung Chun Age 39 Kelowna, BC Director</p>	<p>Director and officer of THC Meds Inc., Director and Officer of THC BioMeds Ltd. from incorporation to date, Ms. Chun utilized her experience as a franchise based service business owner in Kelowna and a previous owner of an art gallery to become the founder of THC Medical Systems Ltd. Ms. Chun translated her passion for art into a passion for medical marihuana, providing initial seed financing to launch large scale research and development into the scientific benefits of Cannabis in 2012.</p> <p>A rare exemption 56 to conduct this research and development was granted to Ms. Chun in August 2013. Assisting in the scientific research under this provision, Ms. Chun has further demonstrated her devotion to the project, by not only acting as a Director and Officer but, involving herself in the very intimate details from seed to harvest.</p>	<p>January 14, 2015</p>	<p>22,306,368</p>

<p>John Miller Age 48 Kelowna, BC Director, President and CEO</p>	<p>Director and officer of THC Meds Inc. and Director and Officer of THC BioMeds Ltd. from incorporation to date. Overall supervision of R&D, crop production, quality control, shipping, facility operation and maintenance</p> <p>Mr. Miller established himself as a strong business presence in the restoration field. He gained certification in flood and water restoration and the control of bacteria and mold for sanitary environments. Mr. Miller has used his extensive experience in environment control to lead projects in schools to eradicate an H1N1 outbreak, implement successful ozone clean environments and decontaminate ATM machines owned by Canadian Imperial Bank of Commerce and Royal Bank to further prevent the spread of H1N1.</p> <p>Bringing his expertise to THC Biomed, Mr. Miller has been instrumental in maneuvering in legal, municipal and regulatory arenas, while establishing the facility and growing the business. Mr. Miller has established strong and credible relationships with the local Mayor and council and has enlisted their co-operation to assist with creating a positive image surrounding medical cannabis in the local community.</p>	<p>January 14, 2015</p>	<p>22,306,368</p>
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- (1) Includes 1,210,583 common shares indirectly held in the name of BUA Capital Management Ltd., 16,667 common shares indirectly held in the name of Jason Walsh RRSP, 225,450 common shares indirectly held in the name of Trust Account for Chase and 205,000 common shares indirectly held in the name of Trust Account for Matiya.
- (2) These shares are indirectly held in the name of GRW Inc. (formerly Complete Communications Inc.)
- (3) These shares are indirectly held in the name of THC Meds Ontario Inc.

As a group, the directors and the executive officers own directly or indirectly, or exercise control or direction over, an aggregate of approximately 51,560,739 common shares or 68% of the Issuer's issued and outstanding share capital.

Board Committees

The following are currently the members of the Committee, all of whom are Financially Literate⁽¹⁾:

Jason Walsh (Independent⁽¹⁾)

John Miller (Not Independent⁽¹⁾)

Geoffrey R. Watson (Not Independent⁽¹⁾)

⁽¹⁾ As defined by National Instrument 52-110 ("NI 52-110").

A copy of the audit committee charter is included as Schedule "A" to this Information.

The Issuer relies upon the exemption available to Venture Issuers in Section 6.1 of NI 52-110.

Penalties, Sanctions and Bankruptcy

Other than as disclosed below, none of the Issuer's directors, officers, insiders or promoters, nor a shareholder holding a sufficient number of the Issuer's securities to materially affect control, nor a personal holding company of any such persons has, within the past 10 years before the date of this Information, 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 their assets.

- Geoffrey R. Watson, a director and officer of the Issuer, filed for bankruptcy on May 12, 2009 and was discharged on February 13, 2010.
- Hee Jung Chun, a director of the Issuer, filed for bankruptcy on June 11, 2010 and was discharged on March 12, 2011.

Other than as disclosed below, during the past 10 years, none of the Issuer's directors, officers, insiders, or promoters, or a shareholder holding a sufficient number of the Issuer's securities to materially affect control, was a director, officer, insider, or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable 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 was 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 that person.

- Jason Walsh is a director and officer of International Ranger Corp., which was cease traded by the BCSC on July 6, 2006 in respect of some corporate disclosure concerns. That cease trade order was revoked on July 18, 2007. A second cease trade order was issued in 2009 and also revoked. A third cease trade order was issued in August 2009 and is still active in B.C.
- Jason Walsh is a director and officer of Scout Exploration, Inc., which was cease traded by the BCSC on July 6, 2006 for a failure to file financial statements. That cease trade order was revoked. A second B.C. cease trade order was issued in 2009 and also revoked. A third B.C. cease trade order was issued in August 2009 and is still active.
- Jason Walsh was cease traded pursuant to an order issued by the BCSC on October 23, 2012. The order stated that Mr. Walsh made changes in his beneficial ownership of securities of the Issuer between February 2, 2010 and September 15, 2012 that were not filed in the required insider reports within the prescribed time. The matter has been cleared up and all insider information has been filed. No disciplinary action was ever taken. This order was revoked on October 8, 2014.

No director or officer of the Issuer or, to the Issuer's knowledge, shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, 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, or 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.

Potential Conflicts

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interest of the Issuer and to disclose any interests which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Issuer will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

To the best of the Issuer's knowledge, there are no known existing or potential conflicts of interest among the Issuer and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

14. Capitalization

The following tables provide information about the Issuer's capitalization as of the date of this Information.

Description of security	Number authorized to be issued	Number outstanding as at the date of this Information	Number outstanding after minimum offering	Number outstanding after maximum offering
Common Shares without par value	No maximum	75,674,620	N/A	N/A
Warrants	No maximum	5,233,333	N/A	N/A
Stock Options	10% rolling	1,583,334	N/A	N/A

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total Outstanding (A)	75,674,620	82,491,287	100%	100%
Held by Related Persons or employees the Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position	58,967,279	60,842,279	78%	74%

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) (B)				
Total Public Float (A-B)	16,707,341	21,649,008	22%	26%
Freely-Tradeable Float				
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 (C)	52,717,738	52,717,738	70%	64%
Total Tradeable Float (A-C)	22,956,882	29,773,549	30%	36%

Public Securityholders (Registered)

Common Shares

Size of Holding	Number of Holders ⁽¹⁾	Total Number of Securities ⁽¹⁾
1-99 securities	15	1,076
100 – 499 securities	3	4,945
500 – 999 securities	1	4,900
1,000 – 1,999 securities	1	11,200
2,000 – 2,999 securities	3	45,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	13	62,876,417
Unable to confirm		0

⁽¹⁾Current estimate based on share range reports received prior to completion of share consolidation on December 23, 2014 and the Acquisition in January 2015.

Public Securityholders (Beneficial)

Common Shares

Size of Holding	Number of Holders ⁽¹⁾	Total Number of Securities ⁽¹⁾
1-99 securities	532	28,273
100 – 499 securities	0	0
500 – 999 securities	0	0

1,000 – 1,999 securities	88	52,048
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	671	12,731,082

⁽¹⁾Current estimate based on share range reports received prior to completion of share consolidation on December 23, 2014 and the Acquisition in January 2015.

Convertible Securities

The following table summarizes the outstanding securities convertible into Common Shares in our authorized capital as of the date of this Information.

Description of the Security (including conversion or exercise terms, including conversion or exercise price)	Number of Convertible or Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion or Exercise
\$0.60 Warrants ⁽¹⁾	5,233,333	5,233,333
Stock Options issued with an exercise price of \$0.60 per Common Share ⁽¹⁾	1,583,334	1,583,334

⁽¹⁾ Further described under "Section 10, Description of the Securities"

15. Executive Compensation

This disclosure is intended to communicate the compensation provided to the Issuer's President and Chief Executive Officer (the "**CEO**"), the Chief Financial Officer (the "**CFO**") and the three other most highly compensated officers of the Issuer (if they individually received more than \$150,000 of total compensation during the most recently completed financial year) during the year ended September 30, 2014 (collectively, the "**Named Executive Officers**" or "**NEOs**") and the directors of the Issuer. For the year ended September 30, 2014, the Issuer's NEOs were Jason Walsh (former CFO and former CEO) and Geoffrey R. Watson (CFO).

Compensation Discussion and Analysis

The Issuer relies solely on Board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. The Issuer's compensation program consists primarily of stock options.

The long-term incentive program is intended to align the interests of the NEOs, directors, consultants and employees with those of the Issuer's shareholders over the longer term and to provide a retention incentive for each NEO. This component of the compensation package consists of grants of options to purchase common shares as permitted under the Stock Option Plan of the Issuer and applicable stock exchange rules. Numerous factors are taken into consideration by the Board in determining grants of options, including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

During the year ended September 30, 2014, 1,583,334 stock options were granted to directors,

officers, consultants and employees of the Issuer.

Summary Compensation Table

The following table presents the summary of compensation paid during the financial years ended September 30, 2014 and September 30, 2013, and September 30, 2012 to the Issuer's NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jason Walsh ⁽²⁾ Former CEO	2014	12,000 ⁽³⁾	Nil	125,000	Nil	Nil	Nil	145,950 ⁽⁴⁾	282,950
	2013	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	139,320 ⁽⁴⁾	151,200
	2012	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	140,560 ⁽⁴⁾	152,560
Geoffrey A. Watson ⁽⁵⁾⁽⁶⁾ CFO	2014	12,000 ⁽³⁾	Nil	62,500 ⁽⁵⁾	Nil	Nil	Nil	36,000	110,500
	2013	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	36,000	48,000
	2012	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	37,000	49,000
George W. Heard ⁽⁷⁾ Former CEO	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michelle Pillon ⁽⁸⁾ Former CFO	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The option-based awards dollar value was calculated using a Black-Scholes model, which included assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Issuer's BioMed Intl.'s common shares and the expected life of the options.

(2) Mr. Walsh was the CEO of THC BioMed Intl. from June 6, 2012 to April 3, 2014.

(3) Director's fees of \$1,000 per month.

(4) During the year ended September 30, 2011, BUA Capital Management Ltd. ("**BUA Capital**"), a private company controlled by Mr. Walsh, received consulting fees of \$4,500 per month. Effective January 2012, the fee was increased to \$7,500 per month. Also office and administration service fees were paid to BUA Group Holdings Ltd. ("**BUA Group**"), a private company controlled by Mr. Walsh, \$55,950, \$59,560 and \$49,200 in the years 2014, 2013, and 2012, respectively.

(5) Mr. Watson was appointed CFO of the Issuer on June 6, 2012. Mr. Watson was the CEO of the Issuer from April 3, 2014 to January 14, 2015. A consulting fee of \$6,500 per month was paid to Hardcastle Capital Partners, a company that Mr. Watson controls. Consulting fees of \$3,000 per month were paid to GRW Inc. (formerly GRW Inc. (formerly Complete Communications Inc.)), a company of which Mr. Watson is a principal, for the provision of services relating to accounting and financial matters.

(7) Mr. Heard ceased to be a director and CEO of THC BioMed Intl. on February 14, 2012.

(8) Ms. Pillon ceased to be CFO of THC BioMed Intl. on June 6, 2012.

Incentive Plan Awards

The following table sets forth information in respect of all outstanding share-based awards and option-based awards outstanding to each of the NEOs at September 30, 2014.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jason Walsh ⁽²⁾⁽⁶⁾ former CEO	250,000	\$0.60	April 10, 2016	Nil	N/A	N/A
Geoffrey A. Watson ⁽³⁾ CFO	125,000	\$0.60	April 10, 2016	Nil	N/A	N/A
Scott Walters Former CEO	333,333	\$0.60	April 10, 2016	Nil	N/A	N/A
George W. Heard ⁽⁴⁾ former CEO	Nil	Nil	Nil	Nil	N/A	N/A
Michelle Pillon ⁽⁵⁾ former CFO	Nil	Nil	Nil	Nil	N/A	N/A
John Miller CEO	Nil	Nil	Nil	Nil	N/A	N/A

(1) The "Value of unexercised in-the-money options" is calculated on the basis of the difference between the closing price of THC BioMed Intl.'s common shares on the TSX Venture Exchange (the "Exchange") on September 30, 2014 and the Exercise Price of the options. The closing price of the Issuer's common shares on the Exchange on May 21, 2014, the last day on which THC BioMed Intl.'s shares traded in the year ended September 30, 2014, was \$0.045.

(2) Mr. Walsh was the CEO of THC BioMed Intl. from June 6, 2012 to April 3, 2014.

(3) Mr. Watson became the CFO of THC BioMed Intl. on June 6, 2012.

(4) Mr. Heard ceased to be a director and CEO of THC BioMed Intl. on February 14, 2012.

(5) Ms. Pillon ceased to be the CFO of THC BioMed Intl. on June 6, 2012.

(6) Options granted to a private company controlled by Mr. Walsh, BUA Capital Management.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended September 30, 2014 and the value of non-equity incentive plan compensation earned during the year ended September 30, 2014.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jason Walsh ⁽²⁾ , former CEO	125,000	N/A	N/A
Scott Walters, former CEO	166,667	N/A	N/A
Geoffrey A. Watson ⁽³⁾ , CFO	62,500	N/A	N/A
George W. Heard ⁽⁴⁾ , former CEO	N/A	N/A	N/A
Michelle Pillon ⁽⁵⁾ , former CFO	N/A	N/A	N/A
John Miller, CEO	N/A	N/A	N/A

(1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the NEO vested during the year ended September 30, 2012 at an “in the money” amount when the exercise price was compared to the closing price of THC BioMed Intl.’s common shares on the Exchange on the date of vesting.

(2) Mr. Walsh was the CEO of THC BioMed Intl. from June 6, 2012 to April 3, 2014.

(3) Mr. Watson became the CFO of THC BioMed Intl. on June 6, 2012.

(4) Mr. Heard ceased to be a director and CEO of THC BioMed Intl. on February 14, 2012.

(5) Ms. Pillon ceased to be the CFO of THC BioMed Intl. on June 6, 2012.

Termination and Change of Control Benefits

The Issuer does not have any compensatory plan(s), contract(s) or arrangement(s) with respect to the resignation, retirement or any other termination of the NEO’s employment, a change of control of the Issuer or either of its wholly-owned subsidiaries or a change in the NEO’s responsibilities following a change in control.

Director Compensation

The following table sets out the compensation paid to each of the Issuers directors, other than directors who are NEOs, for the year ended September 30, 2014.

Name	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John A. Roozendaal	Nil	Nil	62,500	Nil	Nil	Nil	62,500
Mark T. Tommasi	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Paid for by THC BioMed.

Directors of the Issuer are reimbursed for any out-of-pocket expenses incurred, in the course of their duties as directors. Incentive stock options are granted from time to time and compensation of \$1,000 per month has been paid to Mr. Walsh and Mr. Watson for their services as directors. Directors and officers have been and may be granted stock options from time to time.

From time to time, directors may be retained as consultants or experts to provide specific services to the Issuer and will be compensated on a normal commercial basis for such services.

Management functions are substantially performed by the Issuer's directors or senior officers (or private companies controlled by them, either directly or indirectly) and not by any other person with whom the Issuer has contracted.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each of the Issuer's directors, other than directors who are also NEOs, all option-based and share-based awards outstanding at the end of the financial year ended September 30, 2013.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date (m/d/y)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John A. Roozendaal	Nil	Nil	Nil	Nil	N/A	N/A
Mark T. Tommasi	Nil	Nil	Nil	Nil	N/A	N/A

- (1) The “Value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of THC BioMed Intl.’s common shares on the Exchange on September 30, 2013 and the Exercise Price of the options. The closing price of THC BioMed Intl.’s common shares on the Exchange on September 30, 2013, the last day on which THC BioMed Intl.’s shares traded in September 2013, was \$0.01.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth for each of the directors, other than directors who are also NEOs, the value of option-based awards and share-based awards which vested during the year ended September 30, 2014 and the value of non-equity incentive plan compensation earned during the year ended September 30, 2014.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John A. Roozendaal ⁽²⁾	62,500	N/A	N/A
Mark T. Tommasi ⁽²⁾	Nil	N/A	N/A

- (1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the directors vested during the year ended September 30, 2014 at an “in the money” amount when the exercise price was compared to the closing price of the Issuer’s common shares on the Exchange on the date of vesting.

- (2) John A. Roozendaal and Mark T. Tommasi resigned on January 14, 2015.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of February 28, 2015, all information required with respect to compensation plans under which equity securities of the Issuer are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	1,583,334	\$0.60	5,984,128
Equity compensation plans not approved by security holders	Nil	--	--
Total	1,583,334 ⁽³⁾	\$0.60	5,984,128

16. Indebtedness of Directors and Executive Officers

Except as disclosed below, no person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, a proposed nominee for election

as a director of the Issuer, or an associate of any of the foregoing individuals, has been indebted to the Issuer at any time since the commencement of the Issuer's last completed financial year.

AGGREGATE INDEBTEDNESS (\$)		
Purpose (a)	To the Issuer or its wholly-owned Subsidiaries (b)	To Another Entity (c)
Share purchases	Nil	N/A
Other	Nil	N/A

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information or in the Financial Statements, no informed person of the Issuer, any proposed director of the Issuer, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of our most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Issuer or our wholly-owned subsidiaries. An "informed person" means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it hold any of its securities.

MANAGEMENT CONTRACTS

Management functions are substantially performed by the Issuer's directors or senior officers (or private companies controlled by them, either directly or indirectly) and not by any other person with whom the Issuer has contracted.

AUDITORS

Wolrige Mahon LLP, Chartered Accountants, are the auditors of the Issuer and its subsidiaries and have been appointed until the next annual general meeting at remuneration to be fixed by the Board.

AUDIT COMMITTEE

Composition of the Audit Committee

The following are currently the members of the Committee:

	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Geoffrey R. Watson	N	Y
John Miller	N	Y

	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Jason Walsh	Y	Y

(1) As defined by National Instrument 52-110 ("NI 52-110").

The Issuer is relying on the exemption provided under Section 6.1 of NI 52-110 for venture issuers which exempts venture issuers from the requirements of Part 5 (Reporting Obligations) of NI 52-110. Part 5 requires that if management of an issuer solicits proxies from the shareholders for the purpose of electing directors, the issuer must include a cross-reference to the issuer's AIF that contains additional information about the qualifications of its directors. The Issuer has not filed an AIF.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Issuer relies upon the exemption available to Venture Issuers in Section 6.1 of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee is authorized by the Board to review the performance of the Issuer's external auditors and approve in advance, provision of services other than auditing and to consider the independence of the external auditors.

External Auditor Service Fees

The aggregate fees billed by the Issuer's external auditors in the last two fiscal years for audit service fees are as follows.

Financial Year Ending	Audit Fees ⁽¹⁾⁽⁴⁾	Audit Related Fees	Tax Fees ⁽²⁾	All Other Fees
September 30, 2014	\$17,000	Nil	\$1,000	Nil
September 30, 2013 ⁽³⁾	\$17,000	Nil	\$1,000	Nil

(1) The aggregate fees billed for audit services of the parent company, THC BioMed Intl.

(2) The aggregate fees billed for tax compliance, tax advice, and tax planning services. These services involved the preparation of Canadian Corporation Income Tax Returns.

(3) 2013 audited by Crowe, MacKay, LLP.

(4) Does not include 2% paid to CPAB.

17. Risk Factors

The following are certain factors relating to the Issuer's business which prospective investors should carefully consider before deciding whether to purchase Issuer Shares. The following

information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Information. These risks and uncertainties are not the only ones the Issuer is facing. Additional risk and uncertainties not presently known to us, or that the Issuer currently deems immaterial, may also impair the Issuer's operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Issuer's operations could be materially adversely affected.

Market Risk for Securities

There can be no assurance that an active trading market for the Issuer's common shares will be established and sustained. Upon listing, the market price for the Issuer's common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Products Under Development

The Issuer's potential products and services are currently under development and there can be no assurance that these development efforts will result in viable products and services in the form that the Issuer has conceived, or at all.

Technology Risk

Many of the Issuer's potential products and services are expected to be dependent upon technologies which are susceptible to rapid technological change. There can be no assurance that the Issuer's products and services will not be seriously affected by, or become obsolete as a result of such technological changes.

No Operating History and No Assurance of Profitability

The Issuer is a start-up company in its current line of business and has not commenced operations or established brand recognition for its products and services. The Issuer is in the process of developing its products and services and has not entered the commercialization stage. The Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risks that it will be unable to establish a market for its products and services, achieve its growth objectives or become profitable. The Issuer anticipates that it may take several years to achieve positive cash flow from operations. There can be no assurance that there will be consumer demand for the Issuer's products or services or that the Issuer will become profitable.

Reliance on Licensing

Part of the Issuer's business plan, to grow, store and distribute medical marihuana in Canada, will depend on its success in acquiring an MMPR license. The Issuer cannot legally conduct a medical marihuana business without an MMPR licence from Health Canada, and there is significant time and cost required to obtain such a licence. Health Canada has received an estimated and approximate 700 Production License applications to date, the number of submissions continues to grow, and there are indications that the approval process is becoming elongated. For a list of companies that have been granted a licence, please see: www.hc-sc.gc.ca/dhp-mps/marihuana/info/list-eng.php. The Issuer may not obtain an MMPR License.

There is no assurance that the Issuer will be successful in creating shareholder value only by announcing its intention and desire to obtain an MMPR License and taking steps towards doing so. If a license is obtained, any failure to comply with the terms of the License, or any failure to renew the License after its expiry date, would have a material adverse impact on the financial condition and operations of this aspect of the Issuer's business, operating as an MMPR Licensed Producer.

Change in Law, Regulations and Guidelines

The Issuer's business will be subject to particular laws, regulations, and guidelines. The production and distribution of medical marihuana is a highly regulated field, and although the Issuer intends to comply with all laws and regulations, there is no guarantee that the governing laws and regulations will not change. On March 21, 2014, the Federal Court of Canada issued an order allowing certain individuals to continue under their MMAR licenses, thereby affecting the repeal of the MMAR. As of the date of this Information the Government of Canada has decided to appeal the order; however, it is unclear what a final ruling on this issue may be, and how it may affect the Issuer's business. It is possible that a ruling in favour of the original order could allow persons who had a license under the MMAR to opt out of the new MMPR regime, thereby decreasing the size of the market for the Issuer's business, and potentially materially and adversely affecting the Issuer's business, its financial condition and operations. A detailed description of this order can be found under "Section 4, Narrative Description of the Business – Legislative Changes".

Availability of Seed Supply and Skilled Labour

The Issuer's ability to commence and continue operations will be dependent on its ability to acquire starting materials. There are four legal sources of starting materials under the MMPR: Health Canada; Personal-Use Production License holders under the MMAR regime; Designated-Person Production License holders under the MMAR regime; and, importation. There is no guarantee that the Issuer will be able to acquire seeds from such sources. Further, the Issuer's ability to maintain operations will be dependent on access to skilled labour. There is no guarantee that the Issuer will be successful in maintaining its supply of skilled labour, and a failure to do so would limit the Issuer's ability to produce the predicted amounts of Product. This would have an adverse effect on the Issuer's operations and financial results.

Negative Publicity or Consumer Perception

The success of the medical marihuana industry may be significantly influenced by the public's perception of marihuana's medical applications. Medical marihuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marihuana will be favourable. The medical marihuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marihuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marihuana may have a material adverse effect on operational results, consumer base and financial results.

Transportation Risk

As a business revolving mainly around the growth of an agricultural product, the ability to obtain

speedy, cost-effective and efficient transport services will be essential to the prolonged operations of the Issuer's business. If such transportation becomes unavailable for prolonged periods of time, there may be a material adverse effect on the Issuer's business, financial situation, and operations.

Agricultural Operations Risk

A portion of the Issuer's business will be the growth of medical marihuana, an agricultural product and the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Issuer expects to grow its medical marihuana in a climate controlled, monitored, indoor location, there is not guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Issuer's ability to produce medical marihuana.

Competitive Risk

Although the market for the Issuer's product does appear to be sizeable, the Issuer expects significant competition from other companies due to the recent nature of the MMPR regime. A large number of companies, possibly more than 700, appear to be applying to become MMPR Licensed Producers, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships.

Should the size of the medical marihuana market increase as projected, the demand for product will increase as well, and if the Issuer hopes to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Issuer is not successful in achieving sufficient resources to invest in these areas, the Issuer's ability to compete in the market may be adversely affected, which could materially and adversely affect the Issuer's business, its financial condition and operations.

Marketing and Promotional Risk

The Issuer's future growth and profitability will depend on the effectiveness and efficiency of marketing and promotional costs, including the Issuer's ability to: (i) create brand recognition for our Products; (ii) determine appropriate marketing strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that marketing and promotional costs will result in revenues for the Issuer's business in the future, or will generate awareness of the Issuer's Products. In addition, no assurance can be given that the Issuer will be able to manage the Issuer's marketing and promotional costs on a cost-effective basis.

Intellectual Property

The Issuer intends to acquire patents, patents pending and other protections for its intellectual property where appropriate and commercially feasible. However, it cannot guarantee that such protection will be granted to the Issuer or that, if granted, such protection will be effective. Furthermore, the Issuer may not seek protection for certain intellectual property in cases where management determines that such protection is too costly in proportion to the potential benefit to the company.

Financial Liquidity

The Issuer has not yet generated revenue and will likely operate at a loss as it grows its clientele and develops its products and services. The Issuer will require additional financing in order to execute its business plan.

The Issuer's ability to secure the financing it requires will depend in part upon on investor perception of the Issuer's ability to create a successful business. Capital market conditions and other factors beyond its control may also play important roles in its ability to raise capital. The Issuer cannot offer any assurance that it will be able to successfully obtain additional financing, or that future financing will be possible on terms satisfactory to the Issuer's management or shareholders. If the necessary funds are unavailable in the future, the Issuer may be required to cease operating or modify its business plans in a manner that undermines the Issuer's ability to achieve its business objectives.

Financial Statements Prepared on Going Concern Basis

The Issuer's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Issuer's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of the Issuer's industry. The Issuer cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objectives set forth internally or externally. Its consolidated financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Issuer be unable to continue as a going concern.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Issuer may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Share Price Volatility and Speculative Nature of Share Ownership

The Issuer seeks to be listed for trading on the CSE and a successful listing would result in many legacy shareholders being able to freely trade their shares. Factors both internal and external to the Issuer may significantly influence the price at which the Issuer's shares trade, and the volatility of the Issuer's share price. Quarterly operating results and material developments reported by the Issuer can, and likely will, influence the price of the shares. Sentiment toward medical marijuana stocks as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Issuer's shares. The Issuer is a new company in its industry and it is not generating revenue. It does not possess large cash reserves. As such, it should be considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Issuer's shares. You may lose your entire investment.

Uninsured or Uninsurable Risk

The Issuer may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Issuer's usual business activities. Payment of liabilities for which the Issuer does not carry insurance may have a material adverse effect on the Issuer's financial position and operations.

Conflicts of Interest

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Issuer intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with the BCBCA, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

Significant Ownership Interest of Management and Directors

As of the date of this Information, the Issuer's officers and directors own approximately 68% of the issued and outstanding common shares on a fully diluted basis and hold a controlling interest as a group in the Issuer's common stock. See "Section 13, Directors and Officers" for further details. As a result, these individuals, jointly, could exercise substantial control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership limits the power to exercise control by minority shareholders.

Key Personnel Risk

The Issuer's success will depend on its directors and officers to develop its business and manage its operations, and on its ability to attract and retain key quality assurance, research and development, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Issuer's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact the Issuer's operations.

Building Construction Risk

Since the Issuer has yet to build its second production facility, there may be unforeseeable events which could cause an increase in the projected buildings costs. Such an increase in costs may require the Issuer to re-allocate funds from other areas of its business, may require the Issuer to raise more funding than originally anticipated, and may delay the Issuer's ability to go into production. Such delay(s) may have a material adverse effect on the Issuer's business and its financial results.

Current Global Financial Condition

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. The Issuer will be dependent upon the capital markets to raise additional financing in the future. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, the Issuer is subject to liquidity risks in meeting its development and future operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on favourable terms. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of its common shares on the CSE.

No Prospect of Dividends

The Issuer has not paid dividends in the past and does not anticipate paying dividends in the near future. The Issuer expects to retain its earnings to finance further growth and, when appropriate, retire debt.

Costs of Being a Publicly Traded Company

Securities legislation and the rules and policies of the Exchange require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase our legal and financial compliance costs.

18. Promoters

Other than as stated below, the Issuer has no promoters or investor relations representative and has not had such persons or activities for more than two years preceding the date of this Information. Directors and officers of the Issuer handle all queries from shareholders and potential shareholders.

The Issuer entered into an investor relations agreement with Star Finance GmgH and issued them 166,667 common share purchase options exercisable at \$0.60 per share until April 10, 2016. The Issuer decided soon after granting the options to change its business plan to its current business plan and cancelled the investor relations plan with no fees paid; however, the stock options continued to vest. The Issuer believes that no investor relations activities were engaged in by Star Finance GmgH on behalf of the Issuer. Of the 166,667 options granted on April 10, 2014, 125,000 options have vested as at January 10, 2015.

19. Legal Proceedings

As of the date of this Information, other than as set out below, the Issuer is not a party to any material legal proceedings or any regulatory actions. The Issuer does not contemplate any material legal proceedings and is not aware of any material legal proceedings to be contemplated against it other than as set out below.

On March 6, 2015, the Issuer received a demand letter from counsel to Jacob Securities Inc., demanding that a 10% equity stake in the Issuer and 8% broker warrants on the gross proceeds raised in 2014 for the Issuer's now wholly-owned subsidiaries be delivered immediately. The letter states that the demand is based on two engagement letters that are now terminated: one between Jacob Securities and THC Meds, dated April 25, 2014, and one between Jacob Securities and THC BioMed, dated May 7, 2014.

The Issuer was not a party to the engagement letters between its now wholly-owned subsidiaries and Jacob Securities Inc. THC Meds Inc. and THC BioMed Ltd. report that no consideration was provided by Jacob pursuant to the engagement letters and because of this and other reasons, no payment is due to Jacob Securities Inc.

20. Interest of Management and Others in Material Transactions

No director, executive officer or principal shareholder, or an associate or affiliate of a director, executive officer or principal shareholder, has any material interest, direct or indirect, in any transactions that have occurred since the Issuer's inception, or in any proposed transaction that has materially affected or will materially affect the Issuer.

21. Auditors, Transfer Agents and Registrars

Auditors

The Issuer's auditors are Wolrige Mahon LLP, Chartered Accountants, 900-400 Burrard St., Vancouver B.C. V6C 3B7.

Transfer Agent and Registrar

The transfer agent and registrar of the Issuer's common shares is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

22. Material Contracts

The following table summarizes the material contracts entered into by the Issuer's predecessor entity that are in effect as of the date of this Information.

Name of Contract	Parties	Date	Nature of Contract and Consideration
Binding Letter of Intent	Canadian Mining Company Inc. and THC BioMed Intl. Ltd.	April 16, 2014	On April 16, 2014, the Issuer announced that it had signed a binding Letter of Intent with Canadian Mining Company Inc., a public company listed on the TSXV, to test its zeolite-based fertilizer in the growing of medical marihuana. The MOU includes a statement of intent by the parties that the Issuer will receive an option to earn up to a 50% interest in the

			Sun Group Zeolite Project in Princeton. B.C. Canadian Mining Company Inc. is involved in a project designed to develop zeolites as a nutrient input for hydroponic, aquaponic and soil crops, including marihuana.
Amended Promissory Note	Fast Marine Group Ltd. and THC BioMed Intl. Ltd.	August 13, 2014	Agreement in which the Issuer promises to pay Fast Marine, on or before April 15, 2016 (the " Maturity Date "), the sum of \$107,363 together with simple interest thereon at the rate of 25 per cent per annum calculated from June 15, 2014.
Stock Restriction Agreement	Principals of the Issuer and THC BioMed Intl. Ltd.	January 22, 2015	This agreement requires principals of the Issuer to hold their shares in the Issuer until released, pursuant to a pre-set release schedule.
Contract for Services	BUA Capital Management Ltd. ⁽¹⁾ and THC BioMed Intl. Ltd.	January 1, 2014	This agreement relates to the provision of consulting services to the Issuer.
Contract for Services	BUA Group Holdings Ltd. ⁽¹⁾ and THC BioMed Intl. Ltd.	January 1, 2014	This agreement relates to the provision of administration services to the Issuer.
Lease	THC BioMed Ltd. (formerly THC Medical Systems Ltd.) and Sovereign Leasing Ltd.	October 31, 2013	This is a 36 month lease of high performance liquid chromatography equipment for the laboratory. There are monthly payments of \$2,650.98, including tax.
Lease	THC BioMed Ltd. (formerly THC Medical Systems Ltd.) and Eagle Ridge Chevrolet Buick GMC Ltd.	September 3, 2013	Lease agreement for 36 months with monthly payments of \$429.86, including tax, for a Toyota Matrix. A vehicle is to be available to the Quality Assurance person at all times to conduct their duties and in case of an emergency, as stipulated in the MMPR
Lease	THC BioMed Ltd. (formerly THC Medical Systems Ltd.) and Eagle Ridge Chevrolet Buick GMC Ltd.	October 1, 2015	Lease agreement for 36 months with monthly payments of \$757.46, including tax, for a Toyota Venza. A vehicle is to be available to the Responsible Person In Charge at all times in case of an emergency, as stipulated in the MMPR
Mortgage	THC BioMed, as Mortgagee, and B.J and S.L. Hoedel, as Mortgagor	September 21, 2021; amended March 31, 2015	Principal amount of \$255,000, monthly payments of \$2,759.59, semi-annual interest of 5.5% to September 21, 2015 and 10% thereafter per annum. Maturity Date, August 21, 2018.
Mortgage	THC Meds, as Mortgagee, and B.J and S.L. Hoedel, as Mortgagor	September 30, 2014	Principal amount of \$250,000, monthly payments of \$2,655.67, semi-annual interest of 10% per annum. Maturity Date, October 2, 2017.
Promissory Note	THC BioMed and John Miller	January 31, 2015	Promissory Note for the principal amount of \$90,377.38, with no payments due until December 31, 2016. Following December 31, 2016, in the event that the company fails to pay the full amount owing hereunder on the Maturity Date, the outstanding and unpaid amount will accrue 8 per cent per annum simple interest.
Introduction Fee Agreement	THC Meds and Cervus Business Management	April 22, 2014	Agreement for a finder's fee to be paid to Cervus by THC Meds for certain introductions to be made through Cervus.

(1) BUA Capital Management Ltd. and BUA Group Holdings Ltd. are controlled by Jason Walsh.

23. Interest of Experts

The persons or companies whose profession or business gives authority to a statement made by such person or company and who is named in this Information as having prepared or certified a part of this Information or a report or valuation described or included in this Information, are as follows:

- (a) The audited financial statements of THC BioMed Intl. Ltd., THC BioMed Ltd. and THC Meds Inc. included in this Information have been included in reliance upon the reports of Wolrige Mahon LLP, Chartered Accountants, and upon the authority of such firm as experts in accounting and auditing.

Based on information provided by the relevant persons, none of those persons or companies or any director, officer, employee or partner thereof has received or will receive any direct or indirect interest in the Issuer's property or the property of any associate or affiliate of us, nor has any beneficial ownership, direct or indirect, in any securities issued by us. None of those persons is or is expected to be elected, appointed, or employed as a director or employee of us.

24. Other Material Facts

There are no other material facts other than as disclosed herein.

Exhibit "A"

To Schedule "C"

Full Description of Material Change

Audit Committee Charter

THELON CAPITAL LTD.
(the "Company")

AUDIT COMMITTEE CHARTER

(Dated for Reference December 12, 2014)

MANDATE

The audit committee (the "**Committee**") will assist the Board of Directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

COMPOSITION

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 - Audit Committees.

MEETINGS

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all members participating in the meeting,

whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of Management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the external auditor and Management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

RESPONSIBILITIES AND DUTIES

Financial Accounting and Reporting Process and Internal Controls

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with international financial reporting standards ("IFRS") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of Management with Management and the external auditor and have meetings with the Company's auditor without Management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by Management and the evaluation of such report by the external auditor, together with Management's response.
- (d) Review the Company's financial statements, management's discussion and analysis and annual and interim profit or loss, and any press releases related thereto before the Company publicly discloses this information.
- (e) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (d) above, and periodically assess the adequacy of those procedures.
- (f) Meet no less frequently than annually with the external auditor and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.
- (g) Inquire of Management and the external auditor about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps Management has taken to minimize such risks.

- (h) Review the post-audit or Management letter containing the recommendations of the external auditor and Management's response and subsequent follow-up to any identified weaknesses.
- (i) Establish procedures for:
- (j) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Audit

External Auditor

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditor, subject to the overall approval of the Board. In carrying out this duty, the Committee shall:

- (a) Require the external auditor to report directly to the Committee.
- (b) Recommend to the Board the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation for the external auditor, or, if applicable, the replacement of the external auditor.
- (c) Review, annually, the performance of the external auditor.
- (d) Review and confirm the independence of the external auditor.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company.
- (f) Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

Other

- (a) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

AUTHORITY

The Committee is authorized:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;

- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditor of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.