A copy of this preliminary prospectus has been filed with the securities regulatory authorities in Ontario, but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities.

PRELIMINARY PROSPECTUS

Non-Offering Prospectus July 23, 2014

Nutritional High International Inc.

This Prospectus is being filed with the securities regulatory authority in the Qualifying Jurisdiction to enable Nutritional High International Inc. to become a "reporting issuer" pursuant to the securities legislation of the Qualifying Jurisdiction notwithstanding that no sale of its securities is contemplated herein. No proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid for by the Company.

The Company was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on July 19, 2004 as "Sonoma Capital Inc." The Company filed a final prospectus on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec. The Company did not raise any proceeds relating to this prospectus offering and all deferred share issuance fees relating to that offering were expensed.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any exchange or quotation system. The Company has applied to list Company Shares on the CSE. Listing will be subject to the Company's fulfillment of all of the listing requirements of the CSE and there is no assurance that the Company will ultimately be granted a listing.

An investment in the Company securities should be considered highly speculative. There is no guarantee that an investment in the Company will earn any positive return in the short or long term. An investment in the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in the Company Shares. In reviewing this Prospectus, an investor should carefully consider the matters described under the heading "*Risk Factors*".

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus with respect to the Company or the securities of the Company.

The Company's head and registered office is located at 77 King Street West, Suite 2905, Toronto-Dominion Centre Toronto, ON M5K 1H1.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the listing; (B) the description of the Company that assumes completion of the listing; and (C) the intention to grow the business and operations of the Company. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Company to obtain necessary financing, satisfy the requirements of the CSE with respect to the listing and, the economy generally; consumer interest in the services and products of the Company, competition, and anticipated and unanticipated costs. Such statements could also be materially affected by the impact of general imprecision of environmental risks, regulation of the business, environmental regulation, taxation policies, competition, lack of available and qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal or external sources. Actual results, performance or achievement could differ materially from those expressed herein. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this Prospectus. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted in this Prospectus under "Risk Factors". The Company undertakes no obligation, and does not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events.

EXPLANATORY INFORMATION

In this Prospectus, unless otherwise specified, the terms "Company" and "NHII" refer to Nutritional High International Inc., a company incorporated in Canada under the CBCA and include the business transferred to it by NHL pursuant to the Acquisition, as described in this Prospectus.

CURRENCY EXCHANGE RATES

All references to "$" or "dollars" in this Prospectus refer to Canadian dollars unless otherwise indicated.

The following table sets out the exchange rates for Canadian dollars per U.S. dollar in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

U.S. Dollar	Nine Months Ended April 30, 2014	Year Ended July 31		
		2013	2012	2011
Closing	1.0957	1.0287	1.0014	0.9538
High	1.1251	1.0576	1.0604	1.0642
Low	1.0237	0.9710	0.9580	0.9449
Average	1.0704	1.0070	1.0084	0.9941

On July 22, 2014, the noon spot rate for U.S. dollars reported by the Bank of Canada was U.S. $1.00 = $1.0745.

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GLOSSARY OF TERMS

"**Acquisition**" means the acquisition by the Company of all of the outstanding NHL Shares and NHL Warrants from the Vendors in exchange for Company Shares and Company Warrants on a one-for-one basis pursuant to the terms of the Share Exchange Agreement;

"**Board**" means board of directors of the Company;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**Colorado Location**" means a commercial property located near Pueblo, Colorado, which the Company intends to acquire pursuant to Pueblo PSA;

"**Colorado Operator**" means a private limited liability corporation formed under the laws of Colorado, which is applying to become a Licensed Operator and intends to enter into a number of commercial agreements with the Company, or affiliates of the Company including, but not limited to: an agreement to rent the Company's commercial real estate facilities, licensing and royalty agreement for the right to use the Company's recipes, brands, and other intellectual property, agreement for leasing the equipment, loan facility agreement to borrow funds from the Company and an agreement to outsource certain staff of the Company;

"**Company**" means Nutritional High International Inc. (formerly known as "Sonoma Capital Inc."), a company governed by the CBCA;

"**Company Options**" means the stock options of the Company issued pursuant to the Stock Option Plan;

"**Company Shares**" means common shares in the capital of the Company;

"**Company Warrants**" means Company Share purchase warrants, each exercisable into Company Shares at a price of $0.05 per Company Share at any time prior to December 27, 2015;

"**CSE**" means Canadian Securities Exchange, an alternative stock exchange in Canada formerly known as the Canadian National Stock Exchange;

"**Haldimand Option**" means an option agreement to acquire a 50% interest in a company that has the right to lease a 30,000 square foot greenhouse facility located in Haldimand County, Ontario currently in the process of applying for a producer license under the MMPR;

"**License**" means a license obtained by Operators, from respective state regulatory authorities to sell marijuana or marijuana-infused edible products;

"**Listing**" means listing of Company Shares for trading on the CSE;

"**Licensed Operators**" means Operators who hold a valid License under applicable regulation in the respective U.S. State;

"**MMPR**" means *Marihuana for Medical Purposes Regulations* under Canada's *Controlled Drugs and Substances Act*, as may be amended from time to time or any applicable laws or regulations that may replace or supersede it

"**NHL**" means Nutritional High Ltd., a wholly-owned subsidiary of the Company;

"**NHL Shares**" means common shares in the capital in the NHL;

"**NHL Warrants**" means NHL Share purchase warrants, each exercisable into NHL Shares at a price of $0.05 per NHL Share;

"**NHCI**" means Nutritional High (Colorado) Inc., a wholly-owned subsidiary of NHL;

"**Northumberland Option**" means an option agreement to acquire 100% interest in a company that has a right to lease a 75,000 square foot facility located in Northumberland County, Ontario currently in the process of applying for a producer license under the MMPR;

"**Operators**" means an entity selling marijuana and marijuana infused products;

"**Performance Based Escrow Agreement**" means an escrow agreement between the Company, CST and certain holders of Company Shares who purchased their Company Shares below $0.02 per share, providing for the escrow of such Company Shares which are to be released over a 36 month period from the date of the Listing in the event that the Company meets certain performance milestones;

"**Prospectus**" means this preliminary non-offering prospectus and any appendices, schedules or attachments hereto;

"**Pueblo PSA**" means a contract to buy and sell commercial real estate dated June 6, 2014, and amended on June 9, 2014 between NHC and a vendor of the Colorado Location, with closing contingent on NHC entering into lease agreement with a Licensed Operator;

"**Regulatory Escrow Agreement**" means an escrow agreement between certain holders of Company Shares, the Company and CST in the form set out in National Policy 46-201 to be released in stages over a 36 month period from the completion of the Listing;

"**Share Exchange Agreement**" means the securities exchange agreement dated June 20, 2014 between the Company, NHL and the Vendors, pursuant to which the Company consummated the Acquisition;

"**Stock Option Plan**" means the stock option plan of the Company;

"**Vendors**" means collectively, the former holders of NHL Shares and NHL Warrants exchanged such securities for Company Shares and Company Warrants pursuant to the terms of the Share Exchange Agreement;

"**U.S. State**" means one of the 50 constituent political entities of United States of America that shares its sovereignty with the United States federal government;

"**Qualifying Jurisdiction**" means the Province of Ontario;

SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company
The Company was incorporated under the CBCA on July 19, 2004 as "Sonoma Capital Inc." The Company filed a final prospectus on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec. The Company did not raise any proceeds relating to that prospectus offering and all deferred share issuance fees relating to this offering were expensed. On June 27, 2014, the Company completed the Acquisition of all issued and outstanding shares of NHL and changed its name to "Nutritional High International Inc."

The Business
Prior to the completion of the Acquisition, the Company had no active business operations and was seeking business opportunities including assets or businesses with good growth potential to merge with or acquire. The Company did not restrict its search to any industry segment or geographic area and considered acquisitions of assets or businesses operated or located both inside and outside of Canada. All potential acquisitions were screened initially by management of the Company to determine their economic viability. Prior to the completion of the Acquisition, the Company's management and its board examined the proposed Acquisition having regard to sound business fundamentals, utilizing the expertise and experience of the directors. The Company entered into the Share Exchange Agreement on June 20, 2014 with NHL and the Vendors outlining terms of the Acquisition.

After completing the Acquisition, the Company has continued NHL's efforts to develop its business in the marijuana business sector. Further details are provided under the heading "*The Business*".

Use of Proceeds
No proceeds will be raised pursuant to this Prospectus. As set out in unaudited *pro forma* statement of financial position of NHL dated at June 13, 2014, the Company, together with NHL had working capital of $657,834. The working capital of will be used as follows:

Principal Purpose	Amount
Trademark Applications	$10,000
Equity for purchase of the facility	$268,750
License Application	$29,025
Packaging Development	$10,750
Loan to Colorado Operator	$150,000
Sales and Marketing	$48,375
Corporate G&A (3 months)	$140,934
Total	**$657,834**

Risk Factors
The following risk factors should be carefully considered in evaluating the Company. A reader should carefully consider information included in this Prospectus before purchasing securities, the information set out under "*Risk Factors*" including, without limitation, the following:

- The Company has a very limited operating history in its new area of business;
- The Company cannot predict its future capital needs and it may not be able to secure additional financing;
- Volatile global financial and economic conditions may negatively affect the Company's operations;
- There can be no assurance that the Company's shareholders or purchasers of the Company Shares will be able to resell their shares at prices equal to or greater than their cost;
- The Company relies securing agreements with Licensed Operators;
- Failure to comply with federal, provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect the Company's business;
- The Company may become subject to government regulation and legal uncertainties that could reduce demand for its products or increase its cost of doing business, thereby adversely affecting its financial results;
- U.S. Federal Laws, ability to keep open bank accounts and taxes;
- Illegal drug dealers could pose threats;
- Regulatory approvals and permits;

- Competition;
- Reliance on management;
- Factors which may prevent realization of growth targets;
- The Company may face intense competition and expects competition to increase in the future, which could prohibit it from developing a customer base and generating revenue;
- Risks Inherent in an agricultural business;
- Product liability;
- Product recalls;
- Dependence on suppliers and skilled labor;
- Difficult to forecast;
- Operating risk and insurance coverage;
- Management of growth;
- The market price of the Company Shares may be subject to wide price fluctuations;
- No history of dividends;
- Limited market for securities; and
- Environmental and employee health and safety regulations.

Summary Financial Information of the Company

The following table summarizes audited financial information of the Company for the last three completed financial years ended July 31, 2013, 2012 and 2011 and unaudited financial information for the nine months ended April 30, 2014. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this document. See "*Selected Financial Information of the Company*".

	Unaudited Financial Information for nine months ended April 30, 2014 ($)	**Audited Financial Information for the Year Ended July 31,**		
		2013 ($)	**2012 ($)**	**2011 ($)**
Total revenues	Nil	Nil	Nil	Nil
Income (loss) from continuing operations	64,727	(73,675)	(347,031)	(111,292)
Net income (loss) for the period	64,727	(73,675)	(347,031)	(111,292)
Basic and diluted income (loss) per share(1)	0.006	(0.008)	(0.038)	(0.110)
Total assets	Nil	Nil	34	4,232
Total long-term liabilities	Nil	Nil	Nil	Nil
Dividends declared	Nil	Nil	Nil	Nil

Summary Pro-Forma Consolidated Information of the Company

The following table sets forth selected information from the *pro forma* consolidated financial statements of the Company after giving effect to Acquisition. The following selected financial data has been derived from, should be read in conjunction with, and is qualified in its entirety by, the *pro forma* consolidated financial statements of the Company and the historical financial statements of each of the Company and the notes thereto, contained elsewhere in this Prospectus.

	Unaudited Financial Information for the period ended June 13, 2014
Current Assets	$694,446
Total Assets	$716,398
Liabilities	$58,564
Shareholders' equity	$657,834

CORPORATE STRUCTURE

Name and Incorporation
The Company was incorporated under the CBCA on July 19, 2004 as "Sonoma Capital Inc." The Company filed a final prospectus on January 31, 2007, in Quebec and is therefore a reporting issuer in Quebec. On June 27, 2014, the Company has completed the Acquisition of all issued and outstanding shares of NHL, changed its name to "Nutritional High International Inc."

On June 27 2014, the Company filed articles of amendment to allow for an increase in the size the size of the Board between meetings of shareholders.

The Company's head and registered office is located at 77 King Street West, Suite 2905, Toronto-Dominion Centre Toronto, ON M5K 1H1.

Intercorporate Relationships
Through the Acquisition, NHL became a wholly-owned subsidiary of the Company. NHL has one wholly-owned subsidiary NHCI, which has one wholly owned subsidiary NHC. NHCI's activities will be limited to being a holding company of NHC and NHC is in focused on developing marijuana recipes and products in Colorado.

The Company has a wholly-owned subsidiary Sonoma Energy Inc., which charter has been cancelled and the company has no intention of reinstating.

The Acquisition
On June 27, 2014, the Company completed the Acquisition, whereby it acquired all of the issued and outstanding securities of NHL from the Vendors and changed its name to "Nutritional High International Inc." Pursuant to the Acquisition, the Vendors exchanged an aggregate of 60,400,011 NHL Shares and 13,500,006 NHL Warrants, being all of issued and outstanding NHL Shares and NHL Warrants held by the Vendors, for an aggregate of 60,400,011 Company Shares and 13,500,006 Company Warrants.

THE BUSINESS

The Company has had no active business prior to completing the Acquisition. Pursuant to the Acquisition, the Company acquired the business of NHL. NHL operates in the infused edible marijuana sector. The Company's objective is to take advantage of the changing regulatory environment governing the marijuana industry in the United States and Canada. The Company is taking a multi-pronged approach to the two markets.

Business Objectives in the United States
The Company's focus is on designing products and brands for the marijuana infused edible products market in U.S. States which have legalized the production and sale of marijuana infused edible products for medicinal and/or recreational use. Each U.S. State that has legalized marijuana for medical or recreational use requires Operators to hold a License issued by the applicable state authorities. In most states, for an Operator to be eligible to be granted a

License, the owners of the Operator must be residents of such state. As such, listed companies or other widely held enterprises are generally ineligible to obtain a License.

As a result of the regulatory structure, the Company has developed a business model whereupon it will undertake the following in each U.S. State where the Company chooses to conduct business:

(i) acquire commercial real estate facilities for rental to Licensed Operators or other parties related to marijuana industries;
(ii) develop recipes, know-how and other intellectual property for the preparation of marijuana infused edible products, to be licensed to Licensed Operators for their use;
(iii) develop recognizable brands for marijuana infused edible products to be licensed to Licensed Operators for their use; and
(iv) Provide Licensed Operators with financing facilities and consulting services.

The Company will earn its revenue by entering into commercial agreements with Licensed Operators for the following services (including, but not limited to): rental of acquired commercial real estate facilities, licensing the right to use the Company's recipes, brands and other intellectual property, leasing the equipment, borrowing funds from the Company and outsourcing of the Company's staff. The Company may receive licensing fees, lease payments, loan interest payments and royalties from the aforementioned agreements with Licensed Operators.

The Company's initial market focus is the State of Colorado, the first state to enact legislation to allow the production and sale of marijuana infused edible products by Licensed Operators for recreational use. In the next 12 months, the Company expects to acquire a commercial property in Colorado, to rent such commercial property to a Licensed Operator in Colorado, and to license its brands, recipes and other know-how in the production of marijuana infused edible products to such Licensed Operators.

The Company's growth plans include expansion to other U.S. States if and when legislation permits on a state-by-state basis as the Company determines that a suitable business opportunity exists. By developing product and brand designs that can be licensed to local manufacturers together with the other support services, the Company believes it will be well-positioned to enter new U.S. States quickly and be a first mover in new markets. To this end, the Company is currently reviewing the regulations of various U.S. States and has started a process of identifying suitable local partners in a number of other U.S. States.

Business Objectives in Canada

In addition to the Company's strategy in the United States in the marijuana infused edible products market, the Company will also consider other synergistic opportunities throughout the marijuana value chain that could be accretive to the Company's business.

The Company has entered into two option agreements as set out below:

(i) **Haldimand Option**. The Company may exercise the option, at its sole discretion, upon receipt of ready to build approval from Health Canada by issuing 10 million Company Shares. The Company will then be responsible for 50% of the development costs relating to placing the facility into commercial production. The site also includes 48 acres of vacant land zoned for agricultural use that is available for the construction of further facilities to expand future production capacity.

(ii) **Northumberland Option**. The Company has issued 150,000 Company Warrants pursuant to this option agreement and may exercise the option, at its sole discretion, by issuing 675,000 Company Shares upon receipt of ready to build approval from Health Canada and 1,875,000 Company Shares upon receipt of MMPR license. The Company will then be responsible for 50% of the development costs relating to placing the facility into commercial production.

The Company's objective is to exercise both options within the next 12 month period subject to receipt of ready to build approval from Health Canada.

The Company believes it is well positioned to take advantage of growth in the marijuana industry in both the U.S. and Canada with its multi-pronged strategy and experienced management team. The Company is also cognizant that the legal marijuana industry is in its infancy and rapidly evolving which presents significant risks in addition to opportunities. There is no certainty that the Company will not be adversely affected by changes in government regulation and other factors in the future. The Company aims to mitigate these risks by closely monitoring regulatory changes and maintaining the highest standards possible with respect to legal, accounting and security controls, as well as proactively taking a leadership role in working with regulatory bodies and other stakeholders to build the necessary institutional infrastructure typically available to other types of businesses.

Significant Events and Milestones - In the United States
The Company has hired Melissa Parks, a Cordon Bleu trained chef with previous experience working with marijuana infused edible products and creating high-end baked goods and confectionary products incorporating marijuana extracts, as the Vice President, Product Development. In addition, the Company has acquired 30 recipes for marijuana infused edible products from Ms. Parks, including: Chocolate Chew Recipe, Colorado Peach Pound Cake, High Altitude Hard Candy Recipe and Caramel Cashew Popcorn with Chocolate Drizzle. Ms. Parks is also developing additional recipes which will be proprietary to the Company and will, along with the acquired recipes, form a library of proprietary recipes for marijuana infused edible products to license to Licensed Operators.

The Company is also considering licensing marijuana infused edible products on sale in certain U.S. States for manufacturing and distribution in other U.S. States, where legal.

The Company has entered into the Pueblo PSA in connection with the acquisition of the Colorado Location which the Company believes is suitable for the licensed manufacture of marijuana infused edible products. The Colorado Location is located seven miles outside of Pueblo, Colorado, approximately two hours from Denver. The Colorado Location is comprised of three main buildings, several smaller storage buildings, an old boiler building and oversized two-car garage on approximately four acres. Total purchase price is USD $885,000 and closing is conditional on financing and the Company securing a tenant that is a Licensed Operator. The Company has paid USD $20,000 in earnest money to secure the property and is currently conducting due diligence to finalize the acquisition. The Company aims to purchase the Colorado Location by the end of the third quarter 2014. Acquisition of Colorado Location is conditional on the Colorado Operator successfully obtaining a Marijuana Infused Products ("**MIP**") license, and the application for MIP license to be filed no later than July 15, 2014, with the State of Colorado Marijuana Enforcement Division.

The Company is negotiating with a Colorado Operator who is taking steps to become a Licensed Operator for the purpose of manufacturing marijuana infused edible products. In this regard, the Company has entered into agreements with the Colorado Operator contemplating the following: (i) two real property leases over all or part of the Colorado Location, conditional on the completion of the acquisition of the Colorado Location and the Colorado Operator receiving a License; and (ii) a revolving loan agreement providing a facility to the Licensed Operator to draw funds for general working capital purposes, obtaining raw materials, hiring of staff and other ancillary costs to commence production. The Company is negotiating with the Colorado Operator in respect of licensing to the Colorado Operator use of the Company's intellectual property including recipes, branding, packaging and other know-how. The Company expects to enter into a licensing agreement by the end of November 2014.

The Company is undertaking trademark application on multiple brand names it intends to protect. The approximate costs for trademark applications are expected to be $10,000 and initial trademark applications are expected to be filed in the third quarter 2014.

The Company plans to develop packaging for its products at the estimated cost of $10,000. The Company expects to complete initial packaging designs by August 2014.

If the Company achieves the above milestones, the Company believes it will achieve its 12 month objective of securing rental, interest and licensing income from a Licensed Operator in the State of Colorado.

Due to federal regulations, the Company will evaluate each U.S. State the Company chooses to operate in as a separate market and with a distinct business plan. As such, it is intended that the micro-factories model will be utilized in other U.S. States.

Significant Events and Milestones - In Canada
Subject to receiving ready to build approval from Health Canada, and the Company being satisfied with its due diligence and the business prospects of the grow facility at the time of obtaining ready to build approval, the Company may exercise its option, which will achieve its 12 month objective. The cost of exercising the Haldimand Option will be $250,000 through the issuance of 10,000,000 Company Shares at an effective price of $0.025 per Company Share and the cost of exercising the Northumberland Option will be $250,000 through the issuance of an aggregate 2,500,000 Company Shares at an effective price of $0.10 per Company Shares. The decision to exercise either option and the timing of such exercise is dependent on Health Canada's decision with respect to the application which is outside of the Company's control and as such, timing cannot be predicted at the current time.

Principal Products or Services, and Methods of Distribution and Principal Markets
The Company's primary focus is on development and licensing of marijuana infused edible products in the US. Currently the Company is primarily focused on developing its business in the State of Colorado. The products can only be sold through licensed dispensaries and can be sold in one of two classes, medicinal or recreational. The

medical and recreational classes of products have differing regulation about maximum allowable tetrahydrocannabinol ("**THC**") (being the active ingredient in marijuana) content per unit of product serving. The Company plans to exercise strict quality control and labeling protocols to adhere to the regulations for the respective classes of products. Recreational products are available to anyone in the State of Colorado over the age of 21 and medicinal products are available only to those with appropriate prescriptions. Initially, the Company plans to focus primarily on developing retail product lines in Colorado and once the recreational products have been developed, they will be modified for the purpose of marketing to the medical markets. In the U.S. States other than Colorado, it is expected that the Company will focus primarily on developing and licensing the manufacture of marijuana infused edible products primarily for the medicinal markets. In Canada, the Company intends to continue to evaluate the possibility of exercising Northumberland and Haldimand Options, however, at this time the timing of such exercise is uncertain due to the regulatory review process, which is out of the Company's control.

Revenues

The Company is currently a development stage company and has no revenues.

Stage of Development

The Company is not currently at a commercial stage. NHC's Vice President, Product Development possesses significant experience in the production of marijuana infused edible products and the Company believes it possesses sufficient expertise, intellectual property (including recipes) and know-how in-house to supply to its Licensed Operators.

Production and Sales

The products will be produced in a commercial kitchen. As the Company's products are still in the development stage, the specific layout and equipment requirements of the commercial kitchen have not been established. The Company's Vice President, Product Development has significant experience in operating commercial kitchens and the Company believes it will be able to assist Licensed Operators in establishing or upgrading manufacturing facilities. The Company's Vice President, Product Development has significant experience in producing the types of products the Company plans to license and can provide appropriate support to Licensed Operators.

The Company's products are still in the development stage so the requirements for raw materials have not been determined. The Company has begun investigating the availability of raw materials, the most critical of which is marijuana extract. Based on the Company's research, the Company believes the Licensed Operators can secure an adequate supply from licensed third parties or grow marijuana for extraction on their own. All other raw materials are readily available.

The Company believes branding will be important and is focusing on developing brands that it believes will resonate with consumers. As the Company's brands are still in development, the Company does not yet have any trademarked brands.

The Company does not currently have any employees. The Company's Chief Executive Officer, Chief Financial Officer and Vice President, Product Development are consultants.

The Company's primary focus is in the State of Colorado, in the United States. The Company's business will be affected by both state and federal regulation governing the production and sale of marijuana in general, and marijuana infused edible products, in particular.

On November 6, 2012, Colorado Amendment 64 was passed to amend Colorado's constitution, subsequently enacted as Article 18, section 16 of the state constitution, addressing "personal use and regulation of marijuana" for adults 21 and over, as well as commercial cultivation, manufacture, and sale, effectively regulating cannabis in a manner similar to alcohol.

At the present time, the concept of "medical marijuana and "retail marijuana" do not exist under U.S. Federal law. The United States *Federal Controlled Substances Act* classifies "marihuana" as a Schedule I drug. Under U.S. Federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in United States, and a lack of safety for the use of the drug under medical supervision. Furthermore, while the marijuana-infused products are legal under the laws of the State of Colorado, it is illegal for the product to cross the state lines, and the possession, manufacture, and sale of marijuana remains illegal under U.S. federal law.

Changes in both state and federal law and the enforcement of those laws could have a material positive or negative impact on the Company's operations. The Company is also looking at other states for prospective business opportunities should they changes in regulations occur that are favorable to the Company's business. For further discussion regarding the risk factors relating to medicinal and retail marijuana refer to "*Risk Factors*" section.

The Company's business will be dependent on its agreement with Licensed Operators. Agreements with the Company's prospective Colorado Operator are still in development and as such the terms of applicable agreements have not been fully developed. The process is ongoing. The Colorado Operator has not yet obtained a marijuana infused products license and there is no guarantee that it will be able to do so.

USE OF PROCEEDS

Non-Offering Prospectus
This Prospectus is being filed with the securities regulatory authority in the Qualifying Jurisdiction to enable the Company to become a reporting issuer pursuant to applicable securities legislation, notwithstanding that no sale of its securities is contemplated herein. Since no securities are being offered for sale pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid for by the Company.

Total Funds Available
The Company has historically relied upon equity financings and loans from directors to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. As set out in unaudited *pro forma* statement of financial position of NHL dated at June 13, 2014, the Company, together with NHL had the following working capital and deficit positions at June 13, 2014:

	June 13, 2014
Working Capital	$657,834
Deficit	$1,734,724

Principal Purposes of The Funds
No proceeds will be raised pursuant to this Prospectus. As set out in unaudited *pro forma* statement of financial position of NHL dated at June 13, 2014, the Company, after giving effect to the Acquisition, had working capital of $657,834. The working capital of will be used as follows:

Principal Purpose	**Amount**
Trademark Applications	$10,000
Equity for purchase of the facility	$268,750
License Application	$29,025
Packaging Development	$10,750
Loan to Colorado Operator	$150,000
Sales and Marketing	$48,375
Corporate G&A and unallocated working capital (3 months)	$140,934
Total	**$657,834**

The Company expects to obtain debt financing for the balance of the purchase price of the Colorado Location.

Business Objectives and Milestones
Business objectives and milestones that the Company expects to accomplish with the funds available is discussed in the section under the heading "*The Business*".

DIVIDENDS

The Company has no earnings or dividend record and does not anticipate paying any dividends on its Company Shares in the foreseeable future.

SELECTED FINANCIAL INFORMATION OF THE COMPANY

The following table summarizes audited financial information of the Company for the last three completed financial years ended July 31, 2013, 2012 and 2011 and unaudited financial information for the nine months ended April 30, 2014. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

	Unaudited Financial Information for nine months ended April 30, 2014 ($)	Audited Financial Information for the Year Ended July 31,		
		2013 ($)	2012 ($)	2011 ($)
Total revenues	Nil	Nil	Nil	Nil
Income (loss) from continuing operations	64,727	(73,675)	(347,031)	(111,292)
Net income (loss) for the period	64,727	(73,675)	(347,031)	(111,292)
Basic and diluted income (loss) per share[(1)]	0.006	(0.008)	(0.038)	(0.110)
Total assets	Nil	Nil	34	4,232
Total long-term liabilities	Nil	Nil	Nil	Nil
Dividends declared	Nil	Nil	Nil	Nil

SELECTED PRO-FORMA CONSOLIDATED INFORMATION

The following table sets forth selected information from the *pro forma* consolidated financial statements of the Company after giving effect to Acquisition. The following selected financial data has been derived from, should be read in conjunction with, and is qualified in its entirety by, the *pro forma* consolidated financial statements of the Company and the historical financial statements of each of the Company and NHL and the notes thereto, contained elsewhere in this Prospectus.

	Unaudited Financial Information for the period ended June 13, 2014
Current Assets	$694,446
Total Assets	$716,398
Liabilities	$58,564
Shareholders' equity	$657,834

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion And Analysis Of Financial Condition And Results Of Operations For The Year Ended July 31, 2013

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with the audited consolidated financial statements for the years ended July 31, 2013 and 2012 of Sonoma Capital Inc. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Sonoma's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

Forward-Looking Information

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

Company Overview

Sonoma Capital Inc.

Sonoma was incorporated under the CBCA on July 19, 2004 and is a reporting issuer that is currently not listed or quoted on a marketplace. The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a transaction.

On October 3, 2011, the Company incorporated a new 100 % wholly owned subsidiary called Sonoma Energy, Inc., in Nevada, USA.

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Sonoma Energy, Inc.

On January 31, 2007, the Company filed a final prospectus relating to the issue and sale of a minimum of 1,750,000 common shares and a maximum of 3,000,000 common shares at the price of $0.20 per common share for total net proceeds of a minimum of $350,000, excluding the underwriter's fees and other issuance fees of $120,000, and a maximum of $600,000, excluding the underwriter's fees and other issuance fees of $140,000. The Company was unable to complete this initial public offering. As at July 31, 2007, the final prospectus is no longer offered to the public.

Due to costs associated with the failed initial public offering, the Company did not have sufficient cash to meet its continuous disclosure obligations, as required by securities regulations. This resulted in a cease trading order being issued against the Company by the securities regulatory authorities. On August 26, 2010 such cease trade order was lifted. Management believes that the Company can meet its continuous disclosure obligations in the future.

The Company is focused on seeking financing and acquisition opportunities.

The Company proposes to identify and evaluate potential business opportunities, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. There is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, the Company may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such funding on acceptable terms.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of an acquisition or adoption and execution of a new business plan will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses.

The Company has begun to deploy its resources and has made loans to Caldera Geothermal Inc. ("Caldera"), an alternative energy business. The only other assets are cash which is $nil as of the year end date. The Company has no full time employees and the time committed to the Company by officers, directors and other consultants may be limited.

Recent Developments

New Strategic Direction Discussions
The Company is a reporting issuer but is not listed on any stock exchange. The board of directors has determined that it is in the best interests of the Company to set a strategic direction and begin a listing process. The directors and management have begun discussions and are reviewing various go forward opportunities. In anticipation of acquiring a business or possibly making a limited investment, the Company had agreed to provide loans to an alternative energy business known as Caldera.

Private Placements
On August 24, 2011, the board of directors approved a private placement of up to 6,000,000 common shares at $0.05 per share for gross proceeds of $300,000. Foundation Markets Inc., an associated entity of Foundation Opportunities Inc., ("FOI") was engaged to facilitate the private placement. During the nine month period ended April 30, 2012, the Company issued 5,600,000 common shares at $0.05 per share for gross proceeds of $280,000. In addition, the Company issued; a) 100,000 common shares to Walter Lee, a director and shareholder in repayment of a $5,000 promissory note, and b) 100,000 common shares to FOI for consulting services rendered valued at $5,000.

Caldera Geothermal Inc. Promissory Notes
As of July 31, 2013, the Company has provided loans to Caldera Geothermal Inc. ("Caldera") aggregating $205,000. The notes receivable bear interest at 8% per annum, are unsecured, due on demand and have no specific repayment date. Management has made the determination that the Company will not demand repayment within next twelve months. A total of $nil (July 31, 2012 - $nil) of interest receivable is included in HST receivable and other receivables.

Caldera is a related party by virtue of certain common shareholders.

As at July 31, 2013, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to $nil.

Selected Annual Information

Summarized selected financial information with respect to Sonoma for the years ended July 31 2013, 2012, and 2011 is as follows:

	Year ended July 31, 2012	Year ended July 31, 2012	Year ended July 31, 2011
Total expenses	**$ 73,675**	**$ 147,021**	**$ 49,133**
Other expenses (income):			
Loss on write down of note receivable	**-**	217,107	-
Loss on settlement of debt	**-**	-	70,000
Recovery of expenses	**-**	(4,990)	(7,841)
Interest income	**-**	(12,107)	-
Net (loss) and comprehensive (loss)	**(73,675)**	(347,031)	(111,292)
(Loss) per share	**(0.008)**	(0.038)	(0.110)
Total assets	**-**	34	4,232
Total liabilities	**176,667**	103,026	40,483
Shareholders' deficiency	**(176,667)**	(102,992)	(36,251)
Cash dividends declared	**-**	-	-

Results of Operations

Three month period ended July 31, 2013 compared to 2012
Sonoma recorded a loss of $18,461 during the three month period ended July 31, 2013 compared to $224,744 during the three month period ended July 31, 2012. The decrease in loss is mainly attributable to the write down of the loan to Caldera of $217,107 during fiscal 2012.

Professional fees during the three month period ended July 31, 2013 were $1,510 compared to a recovery of $(5,215) for the comparative period in the prior year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The increase is due to account reclassifications during the prior year.

Consulting fees totaled $16,950 during the three month period ended July 31, 2013, compared to $18,040 for the comparative period in the prior year. Consulting fees included the provision of financial accounting services and strategic advisory services. The Company has engaged FOI for strategic advisory services at a fee of $5,000 plus HST per month and Cavalry Corporate Solutions Ltd. for financial accounting and corporate secretarial services at a fee of $5,000 plus HST per month. The amounts were consistent between the two comparable periods.

Loss per share during the three month period ended July 31, 2013 was $(0.002) compared to $(0.023) during the comparative period in the prior year.

Year ended July 31, 2013 compared to 2012
Sonoma recorded a loss of $73,675 during the year ended July 31, 2013 compared to $347,031 during the year ended July 31, 2012. The decrease in loss is mainly attributable to the writedown of the loan to Caldera of $217,107 during fiscal 2012 and a decrease in consulting and professional fees between the comparable years as the company became dormant in late fiscal 2012 and during the current period.

Professional fees during the year ended July 31, 2013 were $5,754 compared to $17,168 for the comparative year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The decrease is due to the Company having no cash and being dormant during the year.

Consulting fees totaled $67,848 during the year ended July 31, 2013 compared to $127,427 for the comparative year. Consulting fees included the provision of financial accounting services and strategic advisory services. The Company has engaged FOI for strategic advisory services at a fee of $5,000 plus HST per month and Cavalry Corporate Solutions Ltd. for financial accounting and corporate secretarial services at a fee of $5,000 plus HST per month. The decrease is due to the fact that the agreement with FOI has been terminated and the Company is no longer using their services.

Loss per share during the year ended July 31, 2013 was $(0.008) compared to $(0.038) during the comparative year.

Summary of Quarterly Results

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter	Net (Loss) ($)	Loss per share ($)
Q4 2013	(18,461)	(0.002)
Q3 2013	(20,804)	(0.002)
Q2 2013	(18,362)	(0.002)
Q1 2013	(16,048)	(0.002)
Q4 2012	(224,744)	(0.023)
Q3 2012	(50,350)	(0.005)
Q2 2012	(37,042)	(0.003)
Q1 2012	(34,894)	(0.005)

Liquidity

The Company's working capital position has decreased since last fiscal year end from a negative working capital position of $(102,992) at July 31, 2012 to $(176,667) at July 31, 2013. The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. At July 31, 2013, current assets were $nil (July 31, 2012 - $34) and consisted of $nil (July 31, 2012 - $34) of cash.

The notes receivable are to a related party known as Caldera and represent the initial steps made by management to deploy capital into new areas. Caldera is an alternative energy business holding geothermal energy rights to a series of locations in Nevada, USA. Caldera is a related party by virtue of certain common shareholders.

As at July 31, 2013, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to $nil.

Total liabilities were $103,026 at July 31, 2012 and have increased to $176,667 at July 31, 2013. Primarily all amounts in accounts payables and accrued liabilities relate to professional fees for financial accounting, consulting, advisory and legal services.

Shareholders' equity decreased from a deficiency of $102,992 on July 31, 2012 to a deficiency of $176,667 at July 31, 2013. The change is a result of the Company's loss of $73,675 incurred during the year ended July 31, 2013.

Capital Resources

The Company financed operations and made investments during the year ended July 31, 2012 through the issuance of new equity. As of July 31, 2013, the Company had $nil (July 31, 2012 - $34) of cash. Management acknowledges that additional loans to Caldera and other investments will likely deplete the Company's cash balances requiring incremental financing from external sources.

Until such time as the Company identifies a business enterprise for the acquisition, it is contemplated that the working capital requirements of the Company will relate generally to investments made and expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, other expenses associated with the listing of the shares, if and when the shares are listed, and costs incurred in identifying, evaluating and executing a potential acquisition or in adopting and executing on a new business plan. The only material ongoing contractual obligations of the Company relate to the payment of audit, legal, consulting and accounting fees.

The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the year, there can be no assurance that it will be able to do so in the future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These statements have been prepared on a going-concern basis which assumes that the Company will be able to realize it assets and discharge it liabilities in the normal course of operations for the foreseeable future.

The Company plans to pursue additional financing in the immediate future.

Off-Balance Sheet Arrangements

As of July 31, 2013, the Company had no off balance sheet arrangements.

Related-Party Transactions

On August 2, 2011, the Company settled a promissory note due to a director and shareholder of the Company in the amount of $5,000 through the issuance of 100,000 shares of common stock (note 4).

During the year ended July 31, 2013, Cavalry provided $67,800 (2012 - $68,515) of financial accounting and consulting services. Also, during the year ended July 31, 2013, FOI invoiced the Company $nil (2012 - $50,850) for strategic consulting services, of which $5,000 was paid through the issuance of 100,000 shares of the Company's common stock.

Included in accounts payable and accrued liabilities as at July 31, 2013 is $138,022 (July 31, 2012 - $62,975) in amounts due to related parties.

Share Capital

As at July 31, 2013, Sonoma had authorized unlimited common shares without par value and had issued 9,600,000 common shares. The Company has no options or warrants outstanding.

Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The critical accounting policies followed by the Company are as follows:

Financial instruments
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit and loss ("**FVTPL**").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Cash is classified as fair value through profit or loss.

Financial assets classified as held-to-maturity and loans and receivables are measured at amortized cost using the effective interest rate method. Notes receivable and other receivables are classified as loans and loans receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss)., except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which measured at cost.

Transaction costs associated with fair value through profit or loss are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the assets.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through the profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through profit or loss. At July 31, 2013 the Company has not classified any financial liabilities as fair value through the profit and loss.

Share based payments
The Company uses the fair value method of accounting for options granted under share purchase option plans. Options granted to directors, officers and employees are measured at fair value at grant date, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation previously included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

Loss per share
Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share calculation assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

Accounting estimates and judgments
The preparation of these condensed unaudited interim consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these condensed unaudited interim consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

Significant estimates used in the preparation of these condensed unaudited interim consolidated financial statements include, among others, the recoverability of other receivable and notes receivable and the fair value of financial assets and liabilities. Actual results may differ from those estimates.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. It is management's opinion that the Company is not exposed to significant interest, or currency risks arising from these financial instruments.

a) Fair Value
The carrying values of the Company's cash, other receivables, loans receivable, and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

b) Credit Risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk.

The Company manages the credit exposure related to cash of $nil as at July 31, 2013 (July 31, 2012 - $34) by holding funds in bank accounts with Schedule 1 banks in Canada.

c) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company currently settles its financial obligation out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is susceptible to liquidity risk due to the negative working capital.

Management's Discussion And Analysis Of Financial Condition And Results Of Operations For The Three and Nine Month Period Ended April 30, 2014 and 2013

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine month periods ended April 30, 2014 and 2013 and the audited consolidated financial statements for the years ended July 31, 2013 and 2012 of Sonoma Capital Inc. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Sonoma's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

Forward-Looking Information
The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

Company Overview

Sonoma Capital Inc.
Sonoma Capital Inc. was incorporated under the Canada Business Corporations Act on July 19, 2004 and is a reporting issuer that is currently not listed or quoted on a marketplace. The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a transaction.

On October 3, 2011, the Company incorporated a new 100% wholly owned subsidiary called Sonoma Energy, Inc., in Nevada, USA.

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Sonoma Energy, Inc.

On January 31, 2007, the Company filed a final prospectus relating to the issue and sale of a minimum of 1,750,000 common shares and a maximum of 3,000,000 common shares at the price of $0.20 per common share for total net proceeds of a minimum of $350,000, excluding the underwriter's fees and other issuance fees of $120,000, and a maximum of $600,000, excluding the underwriter's fees and other issuance fees of $140,000. The Company was unable to complete this initial public offering. As at July 31, 2007, the final prospectus is no longer offered to the public.

Due to costs associated with the failed initial public offering, the Company did not have sufficient cash to meet its continuous disclosure obligations, as required by securities regulations. This resulted in a cease trading order being issued against the Company by the securities regulatory authorities. On August 26, 2010 such cease trade order was lifted. Management believes that the Company can meet its continuous disclosure obligations in the future.

The Company is focused on seeking financing and acquisition opportunities.

The Company proposes to identify and evaluate potential business opportunities, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. There is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, the Company may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such funding on acceptable terms.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of an acquisition or adoption and execution of a new business plan will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses.

Recent Developments

New Strategic Direction Discussions
The Company is a reporting issuer but is not listed on any stock exchange. The board of directors has determined that it is in the best interests of the Company to set a strategic direction and begin a listing process. The directors and management have begun discussions and are reviewing various go forward opportunities.

Private Placements
During the nine month period ended April 30, 2014, the Company issued 904,000 shares (2013 – nil shares) to Cavalry Corporate Solutions Ltd. ("Cavalry"), a related party, to settle debts in the amount of $22,600 (2013 - $nil).

During the nine month period ended April 30, 2014, the Company issued 1,009,620 shares (2013 – nil shares) to Foundation Opportunities Inc. ("FOI"), a related party, to settle debts in the amount of $25,241 (2013 - $nil).

Loans
On May 27, 2014, the Company received a loan in the amount of $35,000 from Nutritional High Ltd., an unrelated party, bearing interest at 10% per annum. In the event of default the note is repayable immediately.

Acquisition
On June 27, 2014, the Company completed the acquisition of all issued and outstanding shares of Nutritional High Ltd., and changed its name to Nutritional High International Inc.

Selected Annual Information

Summarized selected financial information with respect to Sonoma for the nine months ended April 30, 2014, and years ended July 31, 2013 and 2012, is as follows:

	Nine months ended April 30, 2014	Year ended July 31, 2013	Year ended July 31, 2012
Total expenses	**$ 40,848**	$ 73,675	$ 147,021
Other expenses (income):			
Loss on write down of note receivable	**-**	-	217,107
Forgiveness of debt	**(105,575)**	-	-
Recovery of expenses	**-**	-	(4,990)
Interest income	**-**	-	(12,107)
Net income (loss) and comprehensive income (loss)	**64,727**	(73,675)	(347,031)
Income (loss) per share	**0.006**	(0.008)	(0.038)
Total assets	**-**	-	34
Total liabilities	**64,099**	176,667	103,026
Shareholders' deficiency	**(64,099)**	(176,667)	(102,992)

Results of Operations

Three month period ended April 30, 2014 compared to 2013
Sonoma recorded a gain of $106,839 during the three month period ended April 30, 2014 compared to a loss of $20,804 during the three month period ended April 30, 2013. The decrease in loss is mainly attributable to a gain on forgiveness of debt of $105,575 during the period.

Professional fees during the three month period ended April 30, 2014 were $3,256 compared to $3,806 for the comparative period in the prior year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The amounts remained consistent between the two periods.

Consulting fees totaled $(4,520) during the three month period ended April 30, 2014, compared to $16,998 for the comparative period in the prior year. Consulting fees included the provision of financial accounting services and strategic advisory services. The negative amount for the current period is due to fees forgiven during the period.

During the three month period ended April 30, 2014 the Company recorded a gain on forgiveness of debt of $105,575 (2013 - $nil) on the forgiveness of accounting fees over billed in the period.

Loss per share during the three month period ended April 30, 2014 was $0.010 compared to $(0.002) during the comparative period in the prior year.

Nine month period ended April 30, 2014 compared to 2013
Sonoma recorded a gain of $64,727 during the nine month period ended April 30, 2014 compared to a loss of $55,214 during the nine month period ended April 30, 2013. The decrease in loss is mainly attributable to a gain on forgiveness of debt of $105,575 during the period.

Professional fees during the nine month period ended April 30, 2014 were $11,427 compared to $4,244 for the comparative period in the prior year and represent legal and accounting fees. The legal and accounting fees were associated with advice on regulatory compliance and to maintain the Company's accounting records. The increase is due to recovery of professional fees for credit notes received in the comparable period.

Consulting fees totaled $29,380 during the nine month period ended April 30, 2014, compared to $50,898 for the comparative period in the prior year. Consulting fees included the provision of financial accounting services and strategic advisory services. The decrease is due to a decrease in monthly billings for accounting services and forgiveness of prior fees.

During the nine month period ended April 30, 2014 the Company recorded a gain on forgiveness of debt of $105,575 (2013 - $nil) on forgiveness of accounting fees in the period.

Income (loss) per share during the nine month period ended April 30, 2014 was $0.006 compared to $(0.006) during the comparative period in the prior year.

Summary of Quarterly Results
The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter	Net Income (Loss)	Income (Loss) per share
Q3 2014	106,839	0.010
Q2 2014	(22,656)	(0.002)
Q1 2014	(19,456)	(0.002)
Q4 2013	(18,461)	(0.002)
Q3 2013	(20,804)	(0.002)
Q2 2013	(18,362)	(0.002)
Q1 2013	(16,048)	(0.002)
Q4 2012	$(224,744)	$(0.023)

Liquidity
The Company's working capital position has improved since last fiscal year end from a negative working capital position of $(176,667) at July 31, 2013 to $(64,099) at April 30, 2014. The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

Total liabilities were $176,667 at July 31, 2013 and have decreased to $64,099 at April 30, 2014. Primarily all amounts in accounts payables and accrued liabilities relate to professional fees for financial accounting, consulting, advisory and legal services.

Shareholders' equity improved from a deficiency of $176,667 on July 31, 2013 to a deficiency of $64,099 at April 30, 2014. The change is a result of the Company's income of $64,727 incurred during the nine month period ended April 30, 2014 and the issuance of shares in the amount of $47,841 for settlement of debt.

Capital Resources
As of April 30, 2014, the Company had $nil (July 31, 2013 - $nil) of cash. Management acknowledges that the Company will be requiring incremental financing from external sources to fund future operations.

Until such time as the Company identifies a business enterprise for the acquisition, it is contemplated that the working capital requirements of the Company will relate generally to investments made and expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, other expenses associated with the listing of the shares, if and when the shares are listed, and costs incurred in identifying, evaluating and executing a potential acquisition or in adopting and executing on a new business plan. The only material ongoing contractual obligations of the Company relate to the payment of audit, legal, consulting and accounting fees.

The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the year, there can be no assurance that it will be able to do so in the future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These statements have been prepared on a going-concern basis which assumes that the Company will be able to realize it assets and discharge it liabilities in the normal course of operations for the foreseeable future.

The Company plans to pursue additional financing in the immediate future.

Off-Balance Sheet Arrangements
As of April 30, 2014, the Company had no off balance sheet arrangements.

Related-Party Transactions
Cavalry Corporate Solutions Ltd. ("Cavalry") is related as a result of having officers and directors in common with the Company. Foundation Opportunities Inc. ("FOI") is related because it controls Cavalry.

During the nine month period ended April 30, 2014, Cavalry provided $22,600 (2013 - $50,850) of financial accounting and consulting services, which is net of $28,250 of financial accounting fees forgiven.

During the nine month period ended April 30, 2014, the Company recorded a gain on the financial accounting fees forgiven by Cavalry in the amount of $105,575 (2013 - $nil)

During the nine month period ended April 30, 2014, FOI provided $6,780 (2013 - $nil) of consulting services.

During the nine month period ended April 30, 2014, the Company issued 904,000 shares (2013 – nil shares) to Cavalry to settle debts in the amount of $22,600 (2013 - $nil).

During the nine month period ended April 30, 2014, the Company issued 1,009,620 shares (2013 – nil shares) to FOI to settle debts in the amount of $25,241 (2013 - $nil).

Included in accounts payable and accrued liabilities as at April 30, 2014 is $21,245 (July 31, 2013 - $138,022) in amounts due to related parties.

Share Capital

As at April 30, 2014, Sonoma had authorized unlimited common shares without par value and had issued 11,513,620 common shares. The Company has no options or warrants outstanding.

Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The critical accounting policies followed by the Company are as follows:

Financial instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit and loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Cash is classified as fair value through profit or loss.

Financial assets classified as held-to-maturity and loans and receivables are measured at amortized cost using the effective interest rate method. Notes receivable and other receivables are classified as loans and loans receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which measured at cost.

Transaction costs associated with fair value through profit or loss are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the assets.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through the profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through profit or loss. At April 30, 2014 the Company has not classified any financial liabilities as fair value through the profit and loss.

Share based payments

The Company uses the fair value method of accounting for options granted under share purchase option plans. Options granted to directors, officers and employees are measured at fair value at grant date, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation previously included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

Loss per share

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share calculation assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

Accounting estimates and judgments
The preparation of these condensed unaudited interim consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these condensed unaudited interim consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

Significant estimates used in the preparation of these condensed unaudited interim consolidated financial statements include, among others, the recoverability of other receivable and notes receivable , the fair value of financial assets and liabilities and the recording of accrued liabilities. Actual results may differ from those estimates.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. It is management's opinion that the Company is not exposed to significant interest, or currency risks arising from these financial instruments.

a) Fair Value
The carrying values of the Company's accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

b) Credit Risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk.

c) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. As at April 30, 2014, the Company had $nil (July 31, 2013 - $nil) in cash and current liabilites of $64,099 (July 31, 2013 - $176,667), which is not sufficient for the Company to meet its ongoing obligations. As a result, the ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is susceptible to liquidity risk due to the negative working capital.

DESCRIPTION OF SECURITIES

Company Shares
The Company's authorized capital consists of an unlimited number of Company Shares without par value. Company Shares are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up.

The holders of Company Shares are entitled to receive dividends if, as and when declared by the directors of the Company out of the assets of the Company properly applicable to the payment of dividends in such amount and payable at such time as and at such place in Canada as the Board may from time to time determine.

In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or other distribution of assets or property of the Company amongst its shareholders for the purpose of winding up its affairs, the holder of the Company Shares shall be entitled to receive all property and assets of the Company properly distributable to the shareholders of the Company.

The holders of the Company Shares shall be entitled to vote at all meetings of the shareholders of the Company and at all such meetings each such holder has one vote for each Company Share held.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

As at the date of this Prospectus, there are a total of 71,913,631 Company Shares issued and outstanding.

Other Securities
The Company has 13,500,006 Company Warrants issued and outstanding. Each Company Warrant is exercisable into one Company Share at a price of $0.05 per Company Share until December 27, 2014.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the day of this Prospectus. The table should be read in conjunction with the notes thereto included in this Prospectus.

Designation of Security	Amount Outstanding as of July 30, 2013	Amount Outstanding as of the date of this Prospectus
Common Shares	9,600,000	71,913,631
Company Warrants	Nil	13,500,006
Company Options	Nil	2,800,000

PRIOR SALES

The Company is not offering securities for distribution pursuant to this Prospectus. Nevertheless, within the 12 months preceding the date of this Prospectus the Company has completed the following sales of company securities.

Date	Type of Securities	Number of Securities	Issue Price Per Security	Nature of Consideration Received
February 28, 2014	Company Shares	1,913,620	$0.025	Debt Settlement
June 27, 2014(1)	Company Warrants	13,500,006	N/A	NHL Warrants
June 27, 2014(1)	Company Shares	60,400,011	$0.025	NHL Shares
June 27, 2014 (2)	Company Warrants	150,000	N/A	Asset

Notes:

(1) Issued pursuant to Acquisition, as disclosed in section titled "*Corporate Structure*".

(2) Issued pursuant to Northumberland Option.

OPTIONS TO PURCHASE SECURITIES

The Company has established the Stock Option Plan for its officers, directors, employees, management company employees and consultants to which the Company may grant Company Options to acquire a maximum number of Company Shares equal to 10% of the total issued and outstanding Company Shares.

The Company has granted the Company Options pursuant to the Stock Option Plan prior to the date of this Prospectus:

Optionholder Name	Number of Company Options	Grant Date	Expiry Date	Exercise Price per Company Share	Market Value of the Company Shares on the Date of Grant	Market Value of the Company Shares as the date hereof
Statis Rizas	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
David Posner	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
Adam K. Szweras	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
David Caplan	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
Michael Dacks	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
Brian Presement	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
Melissa Parks	400,000	July 7, 2014	July 7, 2019	$0.10	$0.025	$0.025
Total:	**2,800,000**					

Notes:

(1) The market value was determined based on, and is the same as, the price of the shares issued pursuant to the private placement of NHL securities completed in June 2014 prior to the completion of the Acquisition.

Stock Option Plan Terms

The Stock Option Plan authorizes the Board to grant stock options to the officers, directors, employees and consultants of the Company on the following terms:

1. The number of shares subject to each option is determined by the Board provided that the Stock Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:

   (a) the number of shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued shares of the Company;

   (b) the issuance, within a one year period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to an employee (as defined by the CSE) who provides Investor Relations services of a number exceeding 2% of the issued shares of the Company.

2. The aggregate number of shares which may be issued pursuant to options granted under the Stock Option Plan, may not exceed 10% of the issued and outstanding shares of the Company as at the date of the grant.

3. The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option.

4. The options may be exercisable for a period of up to 5 years.

5. The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.

6. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable.

TRADING PRICE AND VOLUME

The Company has applied to list the Company Shares on the CSE. Listing will be subject to the Company fulfilling all of the Listing requirements of the CSE. Currently, none of the Company's securities are traded or quoted on any Canadian or foreign marketplace.

ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Regulatory Escrow

The table immediately below sets out the number of Company Shares held by principals and certain other shareholders of the Company who are parties to the Regulatory Escrow Agreement:

Designation of Class Held in Escrow(1)	Number of Securities Held in Escrow(2)	Percentage of class
Company Shares	25,833,277	35.9%
Company Warrants	566,638	2.0%

Notes:

(1) Assuming the Company is classified as an emerging issuer pursuant to National Policy 46-201, the securities listed in the table above will, in accordance with National Policy 46-201, be released from escrow in stages over a 36 month period from the completion of the Listing with 10% released immediately upon Listing and 15% of such escrowed securities released on the 6, 12, 18, 24 ,30 and 36 month anniversaries of the date of Listing.

(2) Assuming the first tranche will be released from escrow on the date of Listing.

Performance Based Escrow

In addition to the securities escrowed pursuant to Regulatory Escrow Agreement, the an aggregate of 20,562,202 Company Shares are subject to the Performance Based Escrow Agreement, representing approximately 28.6% of the Company Shares currently issued and outstanding. The table below sets out the conditions of release of the Company Shares subject to the Performance Based Escrow Agreement:

Percentage of Company Shares released from escrow	Number of Company Shares released from escrow	Conditions for Release from Performance Based Escrow
25%	5,140,551	Released upon the Company or its subsidiary closing the acquisition of a real property interest or entering into a long term lease for the purpose of participating in the marijuana or CBD industry.
25%	5,140,551	Released upon the Company or its subsidiary entering into an agreement with a Licensed Operator to provide them with loan financing, equipment financing, intellectual property license (including infused edible product recipes, brand licensing, and/or know-how), or services.
50%	10,281,101	Released upon the Company achieving cumulative revenue of $250,000.

Of the 20,562,202 Company Shares subject to the Performance Based Escrow Agreement, approximately 15,206,178 Company Shares are also subject to escrow under the Regulatory Escrow Agreement. Notwithstanding a release pursuant to the Performance Based Escrow Agreement, such Company Shares will continue to be held pursuant to the Regulatory Escrow Agreement and *vice versa* if the escrow restrictions under the other agreement are still in effect. Any Company Shares that remain subject to the provisions of the Performance Based Escrow Agreement on the third anniversary of Listing date will be cancelled.

Contractual Escrow

In addition to the escrow provisions set out above, the table immediately below sets out the number of Company Shares held by certain shareholders of the Company that will be subject to a contractual escrow of four month following the date of the Listing:

Designation of Class Subject to a Contractual Four Month Hold Period	Number of Securities Subject to a Contractual Four Month Hold Period	Percentage of class
Company Shares	24,434,598	34.0%
Company Warrants	7,760,020	56.8%

PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus, to the knowledge of the directors and officers of the Company, no person beneficially owns or exercises control or direction over Company Shares carrying more than 10% of the votes attached to common shares except for the following:

Shareholder Name	Number of Company Shares Held	Percentage of total Company Shares Issued	Percentage of total Company Shares Issued on fully diluted basis (2)
Halki Holdings Inc.(1)	14,500,000	20.2%	17.0%

Notes:

(1) Halki Holdings Inc. is a corporation controlled by Statis Rizas, Director and Executive Chairman of the Company
(2) Includes an additional 4,000,000 Company Warrants owned by Halki Holdings Inc.

DIRECTORS AND EXECUTIVE OFFICERS

The articles of the Company provide that the number of directors should not be fewer than three and no more than ten directors. Each director holds office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Company's Board currently consists of seven directors, of whom three can be defined as "independent directors" or directors who are independent of management and are free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Company.

Name, Occupation and Security Holding
The following table provides the names of the directors and officers, municipalities of residence province and country, respective positions and offices held with the Company, their principal occupations for the past five years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Company, as of the date hereof:

Name, Province and Country of Residence and Position Held	Principal Occupation for the Past Five Years	Director of the Company Since	Common Shares Beneficially Owned or Controlled	Percentage of Issued and Outstanding Common Shares
David Posner Toronto, ON *President, Chief Executive Officer and Director*	Mr. Posner was appointed Chief Executive Officer of NHL in April 2014. Prior to which, he served as an Acquisitions Manager for Stonegate Properties Inc. from 2000 to 2004, and as a Managing Director of Sales and Acquisitions for Maria Chiquita Development Company from 2005 to 2012. From 2004 to 2007 he was a partner in private investment group investment group involved in acquisition, re-zoning and re-positioning for sale of land holdings in Costa Rica and Panama. Since 2012, he has been involved with numerous business activities focused around the real estate and medicinal marijuana industry.	July 7, 2014	6,000,000	8.3%
Statis Rizas Toronto, ON *Executive Chairman and Director*	Mr. Rizas served as the President of Spindrift Telecom Inc. since 1992. Since 1991, he has been a successful entrepreneur and has been involved with numerous business activities, most of which have dealt with telephony. He has been Director of Capricorn Business Acquisitions Inc. since May 2008.	July 7, 2014	14,500,000(1)	20.2%(1)
Marco Guidi Toronto, ON *Chief Financial Officer*	Mr. Guidi is a Chartered Accountant and holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University. Mr. Guidi began his career with an accounting firm where he was as an audit supervisor specializing in serving the audit and tax needs of clients in a variety of industries. He has worked with publicly listed and privately-owned companies. Marco and is currently serving as CFO, Controller and Accountant for a number of junior mining companies.	July 7, 2014	Nil	N/A

Name, Province and Country of Residence and Position Held	Principal Occupation for the Past Five Years	Director of the Company Since	Common Shares Beneficially Owned or Controlled	Percentage of Issued and Outstanding Common Shares
Adam K. Szweras Thornhill, ON *Director and Corporate Secretary*	Mr. Szweras has practiced corporate and securities law since 1996. In January 2006, he founded Foundation Markets Inc. (a brokerage firm licensed as an Exempt Market Dealer) and Foundation Opportunities Inc. (a merchant bank) where he continues as Chairman. In February 2006 Mr. Szweras joined Fogler, Rubinoff LLP, as a partner, where he continues to practice corporate and securities law.	July 7, 2014	Nil(2)	N/A
Melissa Parks Denver, CO *Vice President, Product Development of NHC*	Ms. Parks is a classically trained chef and Colorado resident, who has been cooking and baking professionally since 1998. She attended Le Cordon Bleu College of Culinary Arts in Minneapolis and Johnson & Wales University for degrees in culinary arts, baking, pastry and culinary nutrition. Ms. Parks has previously worked at R&D department of General Mills, pastry chef at Kowalski's and acted as a consultant to start-up companies. She was also a private chef for number of high profile clients and multiple high end restaurants. Ms. Parks was an early entrant into the development of marijuana infused edible products, and has worked with Bakked and O.pen Vape.	May 29, 2014	733,277	1.0%
David Caplan* Toronto, ON *Director*	David Caplan is a former Ontario politician. Mr. Caplan served as a Minister of Infrastructure during 2003 session, and as a Minister of Health and Long-Term Care during the 2007 session. He was a member of the Legislative Assembly of Ontario, and was a cabinet minister in the government of Liberal Premier Dalton McGuinty. He retired from the Ontario legislature at the October 6, 2011 provincial election. Mr. Caplan was born in Toronto, Ontario, and was educated at the University of Western Ontario. He worked as a commercial real estate agent with the firm of Ernest Goodman Ltd. from 1985 to 1989, and was Vice-President of Taurus Metal Trading Ltd. (a recycling company) between 1989 and 1992. Caplan was elected as a trustee to the North York Board of Education in 1991 and served in this capacity for six years, becoming the Board's Vice-Chair in 1993. He also served on the Metro Toronto Board of Education from 1994 to 1997, becoming its Vice-Chair shortly before his departure for higher office.	July 7, 2014	Nil	N/A
Brian Presement* Toronto, ON *Director*	Mr. Presement has been the President and CEO of Unite Communications Corporation ("UNiTE") since its inception in 2001. Under his leadership, UNiTE has grown from a regional telecom provider offering a narrow set of services to a full scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 20 years of telecommunications experience. Prior to UNiTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, where he was responsible for the sales and marketing of Voxx's Telecommunications Services. Mr. Presement holds	October 10, 2013	Nil	N/A

Name, Province and Country of Residence and Position Held	Principal Occupation for the Past Five Years	Director of the Company Since	Common Shares Beneficially Owned or Controlled	Percentage of Issued and Outstanding Common Shares
	an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.			
Michael Pesnerǂ Montreal, Quebec *Director*	Mr. Pesner has been President of Hermitage Canada Finance Inc. since 2002, a firm specializing in financial advisory services. He was previously a partner in financial advisory services at KPMG LLP, in Montreal, specializing in corporate finance, mergers and acquisitions, divestitures, restructuring and corporate recovery in Canada. Mr. Pesner holds a Bachelor of Commerce degree in Finance and Administration from McGill University as well as a Bachelor of Arts degree from Sir George Williams University. Mr. Pesner is a Mr. Pesner is a director of the following companies - Le Chateau Inc., Richmont Mines Inc., Quest Rare Minerals Ltd., Bitumen Capital Inc., Alexandria Minerals Corporation and Liquid Nutrition Group Inc.	July 17, 2014	Nil	N/A
Michael Dacks Toronto, ON *Director*	Michael is co-founder and advisor to a legal informatics startup venture and is the former VP and General Counsel of a large privately held Canadian digital media and social networking company. Prior to that, Michael worked in the Intellectual Property and Technology Licensing department of Meitar Liquornik Geva & Leshem Brandwein a "top-three" law firm in Tel Aviv, Israel, and is a former law clerk to the Hon. Justice Asher D. Grunis of the Israel Supreme Court and additionally completed his Canadian articling requirements at UJA Federation of Greater Toronto. Michael holds a B.A. from the University of Western Ontario and an LL.B./J.D. from Osgoode Hall Law School where he received a special degree designation in International, Comparative and Transnational Law. Michael is licensed to practice law by the Law Society of Upper Canada (Ontario) and the Israel Bar Association.	July 7, 2014	Nil	N/A

Notes:

(1) 14,500,000 Company Shares are owned by Halki Holdings Inc., a holding company controlled by Mr. Statis Rizas.

(2) 4,600,000 Company Shares (representing 6.4% of total issued and outstanding Company Shares) are owned by Foundation Opportunities Inc, a company of which 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries. Furthermore, 1306413 Ontario Ltd., a corporation owed by The Goomie Trust, holds 1,161,680 Company Shares.

ǂ Chairman of the Audit Committee

* Member of the Audit Committee

As of the date of this document, the directors and executive officers of the Company beneficially owned, directly or indirectly, as a group, 21,233,277 Company Shares representing approximately 28.0% of all outstanding voting securities of the Company. Those holdings combined with the holdings of Foundation Opportunities Inc. of 4,600,000, a Company with common directors and officers, equate to 25,833,277 common shares of the Company representing approximately 34.0% of all outstanding voting securities of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, no proposed director, executive officer or promoter has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, officer or promoter.

Other than as set out below, as at the date of this Circular and within the ten years before the date of this Circular, no proposed director, executive officer or promoter of the Company:

(a) is or has been a director, executive officer or promoter of the Company, that while that person was acting in that capacity:
    (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;
    (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;
    (iii) or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
(b) has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee; or
(c) has within ten years before the date of the Circular 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 the director, officers or shareholders.

Adam Szweras was a director and Secretary of Bassett Media Group Corp. ("**Bassett**"), a TSX Venture Exchange listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010.

Mr. Michael Pesner was a director of Prestige Telecom Inc. and he resigned from the Board of Directors on May 25, 2011. Subsequently, in November 2011, Prestige Telecom Inc. filed a notice of intention to file a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada). On March 29, 2012, Prestige Telecom Inc. received a final order from the Quebec Superior Court ratifying the proposal which had been approved at the meeting of its creditors which took place on March 6, 2012.

Although the Company was never listed on any exchange, in December 2007, the Company was issued a Cease Trade Order for failure to file its annual audited financial statements for the year ended July 31, 2007, which Cease Trade Order was extended in January 2008 and subsequently revoked in August 2010. None of the current officers or directors were associated with the Company during this period.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and officers of other companies. The directors of the Company are bound by the provisions of the CBCA to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

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

Management

David Posner, President, Chief Executive Officer and Director (Age 40) – Mr. Posner is an entrepreneur, investor, developer and broker, who has experience in all areas of real estate syndication, acquisition, development and management. Mr. Posner has developed a skill-set of starting, operating and growing real estate ventures in regional markets in Central America, Canada and the U.S.. His accomplishments include the development of a $50 million condominium and resort development with nearly 1,000 units along the coast of Panama.

As Chief Executive Officer, Mr. Posner is a contractor and is responsible for the overall direction and business development of the Company. He will also lead the negotiation and acquisition of future projects. Mr. Posner anticipates devoting 100% of his time to the affairs of the Company during the next year. Mr. Posner has not entered into a non-competition or a non-disclosure agreement with the Company.

Melissa Parks, Vice President, Product Development (Age 33) – Ms. Parks is a classically trained chef and Colorado resident, who has been cooking and baking professionally since 1998. She attended Le Cordon Bleu College of Culinary Arts in Minneapolis and Johnson & Wales University for degrees in culinary arts, baking, pastry and culinary nutrition. Ms. Parks has previously worked at R&D department of General Mills, pastry chef at Kowalski's and acted as a consultant to start-up companies. She was also a private chef for number of high profile clients and multiple high end restaurants. Ms. Parks was an early entrant into the development of marijuana infused edible products, and has worked with Bakked and O.pen Vape.

Vice President, Product Development, Ms. Parks is a contractor and is responsible for product development. Ms. Parks anticipates devoting approximately 50% of her time to the affairs of the Company during the next year until the Company enters into production license with a licensed producer and 100% of her time thereafter. Ms. Parks has entered into a non-competition or a non-disclosure agreement with the Company.

Marco Guidi, Chief Financial Officer (Age 29) – Mr. Guidi is a Chartered Accountant and holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University. Mr. Guidi began his career with an accounting firm where he was as an audit supervisor specializing in serving the audit and tax needs of clients in a variety of industries. He has worked with publicly listed and privately-owned companies. Marco is currently serving as CFO, Controller and Accountant for a number of junior mining companies.

As Chief Financial Officer, Mr. Guidi is a contractor and is responsible for the financial affairs of the Company and brings extensive experience in dealing with financial matters and corporate strategy. It is anticipated that he will assist the Company on as-needed basis during the next year.

Adam Szweras, Corporate Secretary and Director (Age 42) – Mr. Szweras has practiced corporate and securities law since 1996. In February 2006 Mr. Szweras joined Fogler, Rubinoff LLP, as a partner, where he practices corporate and securities law. Mr. Szweras is also Chairman of Foundation Markets Inc., an Exempt Market Dealer focused on financing and consulting to emerging growth companies.

As Corporate Secretary, Mr. Szweras is a contractor and is responsible for Company's corporate governance, securities and compliance matters. It is anticipated that he will assist the Company on as-needed basis during the next year.

EXECUTIVE COMPENSATION

Compensation of Directors

The Board as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Company. Remuneration is assessed and determined by taking into account such factors as the size of the Company and the level of compensation earned by directors and officers of companies of comparable size and industry.

Each of the Company's independent directors has not received any compensation for their services, other than Company Options.

Executive officers of the Company who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such executive officers in their capacity as executive officers. See "*Compensation of Executive Officers*".

The Company does not have a stock option plan for the granting of incentive stock options to the officers, employees and directors of the Company.

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Company for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Company, despite the amount of compensation of that individual, (ii) each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds $150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year end of the Company.

During the Company's most recently completed financial year ended July 31, 2013, the Company had two Named Executive Officers: Andres Tinajero, President and Chief Executive Officer; and Warren Goldberg, Secretary, Chief Financial Officer and Treasurer. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the most recently completed financial year, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the most recently completed financial year, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the most recently completed financial year, was $Nil.

Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the most recently completed financial year in respect of each Named Executive Officer as at July 31, 2013. Other than as disclosed below, no other executive officer received in excess of $150,000 in total salary and bonus during the year ended July 31, 2013.

	Annual Compensation				Long Term Compensation Awards and Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Under Option	All other Compensation ($)
Andres Tinajero President and Chief Executive Officer(1)	2013	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil
Warren Goldberg, Secretary, Chief Financial Officer and Treasurer (2)	2013	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil

<u>**Note:**</u>

(1) Mr. Tinajero was appointed as President and CEO on August 24, 2011

Stock Option Plan and Stock Options

The Company did not have a Stock Option Plan during the financial year ended July 31, 2013.

Summary of Outstanding Stock Options

Optionee Category (Number of Optionees)	Number of Common Shares Reserved Under Option	Date of Grant	Expiry Date	Exercise Price Per Common Share
Executive Officers(2)	Nil	n/a	n/a	n/a
Directors other than Executive Officers(3)	Nil	n/a	n/a	n/a
Total:	Nil	n/a	n/a	n/a

Options Granted during the Financial Year ended July 31, 2013 to Named Executive Officers

The following table sets forth information in respect of all stock options granted during the financial year ended July 31, 2013 to the Named Executive Officers of the Company.

Name and Principal Position	Securities Under Options Granted	Percentage of Total Options Granted to Employees in Financial Year		Exercise or Base Price per Security	Market Value of Securities Underlying Options on the Date of Grant	Expiration Date
Andres Tinajero President and Chief Executive Officer	Nil	n/a		n/a	n/a	n/a
Warren Goldberg,	Nil	n/a		n/a	n/a	n/a

Name and Principal Position	Securities Under Options Granted	Percentage of Total Options Granted to Employees in Financial Year		Exercise or Base Price per Security	Market Value of Securities Underlying Options on the Date of Grant	Expiration Date
Secretary, Chief Financial Officer and Treasurer						

Aggregated Options Exercised during the most recently completed Financial Year ended July 31, 2013 and Financial Year-End Options

The following table sets forth information in respect of the options exercised during the most recently completed financial year and the financial values as at July 31, 2013 of unexercised options held by Named Executive Officers on an aggregated basis.

Named Executive Officer	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-money Options at FY-End ($) Exercisable/ Unexercisable
Andres Tinajero President and Chief Executive Officer	Nil	n/a	Nil/Nil	Nil/Nil
Warren Goldberg, Secretary, Chief Financial Officer and Treasurer	Nil	n/a	Nil/Nil	Nil/Nil

Securities Authorized for Issuance Under Equity Compensation Plans

There were no securities authorized for issuance as at July 31, 2013.

Long Term Incentive Plan

The Company did not have a long-term incentive plan during the financial year ended July 31, 2013.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Company did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer of the Company, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of change in control of the Company, its subsidiaries or affiliates.

Director Compensation

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors. The directors of the Company may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Company under the Company's stock option plan.

From inception of the Company to the date of this Prospectus, no compensation was paid to any non-executive director of the Company.

The following table shows the compensation provided to non-executive directors for the year ended July 31, 2013. Please see "Summary Compensation Table" under "Executive Compensation" above for details of compensation paid by the Company to those directors who are also NEOs.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension Value	All other compensation	Total ($)
Walter Lee	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sarjeant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Claude E. Forget	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Outstanding Director Share-Based and Option-Based Awards
The following table sets forth share-based and option-based awards outstanding for the directors of the Company who were not NEOs for the year ended July 31, 2013.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares of units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Walter Lee	Nil	n/a	n/a	Nil	Nil	Nil
Paul Sarjeant	Nil	n/a	n/a	Nil	Nil	Nil
Claude E. Forget	Nil	n/a	n/a	Nil	Nil	Nil
Total:	Nil	n/a	n/a	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2013
The following table sets forth the details of the aggregate dollar value that would have been realized by the Company's non-executive directors in the most recently completed financial year if the option-based awards had been exercised on their respective vesting dates.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Walter Lee	Nil	Nil	Nil
Paul Sarjeant	Nil	Nil	Nil
Claude E. Forget	Nil	Nil	Nil

Defined Benefit or Actuarial Plan Disclosure
The Company had no defined Benefit Plan or Actuarial Plan as at March 31, 2013.

Employment Contracts
In fiscal 2013, the Company did not pay any compensation to the Named Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees). NHL has entered into the following consulting agreements with the following executive officers of the Company appointed in connection with the Acquisition. Furthermore, following the Acquisition, the Company adopted the Stock Option Plan, which will also constitute part of executive and director compensation on a go-forward basis.

Posner Agreement
On May 1, 2014, NHL entered into consulting agreement with David Posner, President and Chief Executive Officer of NHL, pursuant to which, Mr. Posner will be paid a fee of $8,000 per month.

Guidi Agreement
On May 1, 2014, NHL entered into agreement with Branson Corporate Services Inc. to provide CFO function, controllership, bookkeeping, corporate secretarial, general and administrative, and back office services to the

Company for $3,000 per month, with $1,500 allocated to Chief Financial Officer services. Marco Guidi has been appointed the designated consultant to provide such services under the agreement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at the financial year ended July 31, 2013, or is currently indebted to the Company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

The Audit Committee

The Audit Committee of the Company is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors.

The full text of the charter of the Company's Audit Committee is attached hereto as Schedule "D".

Composition of the Audit Committee

The board members of the Company's audit committee are:

Name	Corporate Position	Independent	Financially Literate
Michael Pesner (Chairman)	Director	Yes	Yes
Brian Presement	Director	Yes	Yes
David Caplan	Director	Yes	Yes

Relevant Education and Experience

Name of Member	Relevant Experience and Qualifications
Michael Pesner	Mr. Pesner has been President of Hermitage Canada Finance Inc. since 2002, a firm specializing in financial advisory services. He was previously a partner in financial advisory services at KPMG LLP, in Montreal, specializing in corporate finance, mergers and acquisitions, divestitures, restructuring and corporate recovery in Canada. Mr. Pesner holds a Bachelor of Commerce degree in Finance and Administration from McGill University as well as a Bachelor of Arts degree from Sir George Williams University. Mr. Pesner is a Mr. Pesner is a director of the following companies - Le Chateau Inc., Richmont Mines Inc., Quest Rare Minerals Ltd., Bitumen Capital Inc., Alexandria Minerals Corporation and Liquid Nutrition Group Inc.
Brian Presement	Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science. Mr. Presement has been President / CEO of Unite Communications Corporation since its inception in 2001.
David Caplan	David Caplan is a former Ontario politician. Mr. Caplan served as a Minister of Infrastructure during 2003 session, and as a Minister of Health and Long-Term Care during the 2007 session. He was a member of the Legislative Assembly of Ontario, and was a cabinet minister in the government of Liberal Premier Dalton McGuinty. He retired from the Ontario legislature at the October 6, 2011 provincial election. Caplan was born in Toronto, Ontario, and was educated at the University of Western Ontario. He worked as a commercial real estate agent with the firm of Ernest Goodman Ltd. from 1985 to 1989, and was Vice-President of Taurus Metal Trading Ltd. (a recycling company) between 1989 and 1992. Caplan was elected as a trustee to the North York Board of Education in 1991 and served in this capacity for six years, becoming the Board's Vice-Chair in 1993. He also served on the Metro Toronto Board of Education from 1994 to 1997, becoming its Vice-Chair shortly before his departure for higher office.

Audit Committee Oversight
Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor with was not adopted the Board.

Pre-Approval Policies and Procedures
In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed to the Company by the external auditors for professional services.

	Year ended July 31, 2013	**Year ended July 31, 2012**	**Year ended July 31, 2011**
Audit Fees (1)	$5,500	$5,500	$6,500
Audit Related Fees	Nil	Nil	Nil
Tax Fees	Nil	Nil	Nil
All Other Fees	Nil	Nil	Nil

Corporate Governance

Board of Directors
The Board currently consists of seven directors. The Board has concluded that three directors, Brian Presement, Michael Dacks, Michael Pesner and David Caplan are "independent" for purposes of board membership, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*. By virtue of their management positions, each of Statis Rizas, David Posner and Adam K. Szweras are not considered "independent".

A member of the Board is considered independent if the member has no direct or indirect material relationship with the issuer. A material relationship means a relationship which could, in the view of the reporting issuer's Board, reasonably interfere with the exercise of a member's independent judgment.

Directorships
In the past five years, the directors of the Company have held officer or director positions with the following issuers:

Name	**Name of Reporting Issuer**	**Name or Exchange or Market**	**Position**	**From**	**To**
Adam Szweras	Petrolympic Ltd.	TSXV	Secretary	June 2008	Present
	Bassett Media Group Corp.	TSXV	Director	August 2009	March 2010
	Canada Pacific Canada Corp.	NEX	Director, Secretary	May 28, 2010	Present
	Star Navigation Systems Group Ltd.	TSXV	Secretary	May 2008	December 2011
	Sagittarius Capital Corp.	TSXV	Secretary	August 2009	Present
	Sagittarius Capital Corp.	TSXV	Director	August 2009	August 2010
	Lakeside Minerals Inc.	TSXV	Secretary	December 2011	Present
	InterAmerican Gaming, Inc.	TSXV	Director	May 2008	June 2009
	Quia Resources Inc.	TSXV	Director, Secretary	December 2010	Present
Statis Rizas	Capricorn Business Acquisitions Inc.	TSXV	Director	May 2008	Present

Brian Presement	Sagittarius Capital Corporation	NEX	Director	January 2013	Present
	Aurelio Resource Corp.	Not Listed	Director	February 2012	August 2013
Michael Pesner	Bitumen Capital Inc.	NEX	Director	March 2007	Present
	San Anton Capital Inc.	TSX-V	Director	November 2007	May 2010
	Prestige Telecom Inc.	TSX-V	Director	July 2007	May 2011
	Mint Technology Corp.	TSX-V	Director	March 2008	September 2013
	Sand Technology Inc.	OTCBB	Director	January 2010	December 2011
	Richmont Mines Inc.	TSX and NYSEAmex	Director	November 2010	Present
	Quest Rare Minerals Ltd. (formerly Quest Uranium Corp.)	TSX-V and NYSE MKT	Director	September 2007	Present
	BrightPath Early Learning Inc. (formerly Edleun Group, Inc.)	TSX-V	Director	August 2007	May 2010
	Liquid Nutrition Group Inc.	TSX-V	Director	December 2013	Present
	Le Chateau Inc.	TSX-V	Director	December 2012	Present
	Alexandria Minerals Corporation	TSX-V	Director	October 2013	Present

Orientation and Continuing Education
The Board is comprised of individuals with either prior experience as a director or publicly listed issuer or a private entity or with significant business experience as a senior business manager. The Company has no specific continuing education policy with its directors.

Ethical Business Conduct
All directors, officers and employees of the Company must comply with the law and regulations and must act honestly and in good faith with a view to the best interests of the Company in exercising their powers and discharging their duties.

Any director or officer of the Company shall disclose in writing or request to have it entered into the minutes of Board's meeting or any of the committees of the directors the nature and extent of any interest in a material contract or a material transaction, whether made or proposed, as soon as the director or officer becomes aware of such a contract or transaction. In such a case, the director shall abstain from voting on any resolution to approve such a contract or transaction.

Nomination of Directors
The board is entrusted with reviewing on a periodic basis the composition of the board and, when appropriate, with maintaining a list of potential candidates for board membership and interviewing potential candidates for board membership.

Compensation
At present, no compensation other than the grant of Company Options is paid to the Company's directors, in such capacity.

Other Board Committees
Other than the audit committee, the Company does not have any other standing committees.

Assessments

The Company does not currently trade on an exchange and the directors are satisfied that, given the current evolution of the Company, they are performing their duties as directors effectively.

PLAN OF DISTRIBUTION

The Company is not distributing any securities pursuant to this Prospectus.

The Company has applied to list the Company Shares on the CSE. Listing will be subject to the Company's fulfillment of all of the listing requirements of the CSE, including distributing the Company Shares to a minimum number of public shareholders and meeting certain financial and other requirements. There is no assurance that the Company will ultimately be granted a listing.

RISK FACTORS

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks actually occur, the Company's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Company Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that could be applicable to the business of the Company:

The Company has a very limited operating history in an emerging area of business.

Because the Company has a limited operating history in emerging area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- Risks relating to an evolving regulatory change.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

The Company cannot predict its future capital needs and it may not be able to secure additional financing.

The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions may negatively affect the Company's operations.

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values.

If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

There can be no assurance that the Company's shareholders or purchasers of the Company Shares will be able to resell their shares at prices equal to or greater than their cost.

The market price of the Company Shares could be subject to significant fluctuations in response to various factors, many of which are beyond the Company's control. In addition, the stock markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies whose businesses are dependent on technology and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Company Shares. There can be no assurance that the holders or purchasers of the Company's common shares will be able to resell their shares at prices equal to or greater than their cost.

The Company relies on securing agreements with Licensed Operators

In most U.S. States, the Company is not eligible to be licensed to grow, store and sell marijuana products, and must secure agreements with Licensed Operators in the targeted jurisdictions that have been able to obtain a license with the appropriate regulatory authorities. Failure of a Licensed Operator to comply with the requirements of their license or any failure maintain their license would have a material adverse impact on the business, financial condition and operating results of the Company. The Company believes its prospective Colorado Operator will secure the necessary elements to be successful in its application for licensing in Colorado, however, there can be no guarantee that that the applicable licenses will be granted on the terms favorable to the Colorado Operator or at all. Should the regulatory authorities not grant the license or grant the license on different terms unfavorable to the Colorado Operator, and should the Company be unable to secure an alternative Licensed Colorado Operator, the business, financial condition and results of the operation of the Company would be materially adversely affected.

Failure to comply with federal provincial or state laws and regulations, or the expansion of current, or the enactment of new laws or regulations, could adversely affect the Company's business.

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

The Company may become subject to government regulation and legal uncertainties that could reduce demand for its products or increase its cost of doing business, thereby adversely affecting its financial results.

The Company's operations are subject to a variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The Company is currently in compliance with all such laws. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

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

U.S. Federal Laws

The concept of "medical marijuana and "retail marijuana" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in United States, and a lack of safety for the use of the drug under medical supervision. As such, marijuana-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of marijuana are illegal under U.S. federal law. Strict compliance with state laws with respect to marijuana will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any Federal proceeding which may be brought against the Company. While U.S. Department of Justice has instructed U.S. Attorneys that they need not expend resources with respect to entities selling marijuana pursuant to strict U.S. State licensing regimes, this directive can change. Moreover, U.S.

Attorneys have significant discretion with respect to the activities they seek to prosecute, regardless of any directive from the Department of Justice.

Ability to keep open bank accounts

The U.S. federal prohibitions on the sale of marijuana may result in Licensed Operators being restricted from accessing the U.S. Federal banking system and they may be unable to deposit funds in federally licensed banking institutions. While the Company does not anticipate banking restrictions directly relating to its business, banking restrictions could nevertheless be imposed due to the Company's banking institutions not accepting payments from Licensed Operators. Licensed Operators at times do not have deposit services and are at risk that any bank accounts they have could be closed at any time. Such risks increase costs to the Company and Licensed Operators. Additionally, similar risks are associated with large amounts of cash at these businesses. These businesses require heavy security with respect to holding and transport of cash, whether or not they have bank accounts.

Taxes

U.S. Federal prohibitions on the sale of marijuana may result in the Company not being able to deduct certain costs from its revenue for U.S. Federal taxation purposes if the U.S. Internal Revenue Service determines that revenue sources of the Company are generated from activities which are not permitted under U.S. Federal law.

Illegal Drug Dealers Could Pose Threats

Currently, there are many drug dealers and cartels that cultivate, buy, sell and trade marijuana both in Colorado and worldwide. Many of these dealers and cartels are violent and dangerous as well as well financed and well organized. It is possible that these dealers and cartels could feel threatened by legalized marijuana businesses such as those with whom the Company does business and could take action against or threaten the Company, its principals, employees and/or agents and this could negatively impact the Company and its business.

Regulatory Approvals and Permits

The Company and its owners may be required to obtain and maintain certain permits, licenses and approvals in the states where their products are licensed, although the Company does not anticipate such approvals will be necessary. Moreover, to the extent the Company loans funds to Licensed Operators, such loans must be disclosed to regulatory authorities. There can be no assurance that the Company will be able to receive and/or maintain the necessary permits, licenses and approvals. Any material delay or failure to receive these items would delay and/or inhibit the Company's ability to conduct its business and would adversely affect the Company's business, financial condition and results of operations.

Competition

The marijuana industry is highly competitive. The Company will compete with numerous other businesses in the marijuana industry, many of which possess greater financial and marketing resources and other resources than the Company. The marijuana business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labor, and governmental regulations. Any change in these factors could materially and adversely affect the Company's operations. The Company's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Company will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While consulting agreements are customarily used as a primary method of retaining the services of key consultants, these agreements cannot assure the continued services of such consultants. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they are can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company and its Licensed Operators:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labor costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labor disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product available for to meet the anticipated demand or to meet future demand when it arises.

The Company may face intense competition and expects competition to increase in the future, which could prohibit it from developing a customer base and generating revenue.

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

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

Risks Inherent in an Agricultural Business

A part of the Company's business and the business of the Company's Licensed Operators revolve around growing of marijuana, an agricultural product, although the Company will not itself grow or sell marijuana. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company and its Licensed Operators (as the case may be) intend to grow its products indoors under climate controlled conditions, carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Licensed Operators and the Company face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of marijuana-infused products based on the Company's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's and the Licensed Operator's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's and the Licensed Operator's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company potential products.

Product Recalls

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

Dependence on Suppliers and Skilled Labor

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labor, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficult to Forecast

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

Operating Risk and Insurance Coverage

While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The market price of the Company's Common Shares may be subject to wide price fluctuations

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

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Company Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Company Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

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

PROMOTERS

During the two years immediately preceding the date of this document, the promoters of the Company have been and are as follows:

Name of Promoter	Number of Shares	Percentage
Foundation Opportunities Inc.(2)	4,600,000	6.4%
David Posner(1)	6,000,000	8.3%
Statis Rizas(1)	14,500,000	20.2%
Adam Szweras(1)(3)	Nil	Nil

Notes:

(1) Messrs. Posner, Rizas and Szweras are currently directors and/or officers of the Company. Neither receives specific compensation for their services as promoters. For details of additional compensation paid to them, see Section 22.

(2) Foundation Opportunities Inc, a company of which 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries, holds 4,600,000 Company Shares. Furthermore, 1306413 Ontario Ltd., a corporation owed by The Goomie Trust, holds 1,161,680 Company Shares.

(3) Excluding the shares owned by Foundation Opportunities Inc.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not, and has not during the most recent fiscal year ended July 31, 2013, engaged in any legal proceedings and none of the Company's property is or was during that period the subject of any legal proceedings. The Company is not aware of any such legal proceedings being contemplated.

Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within three years immediately preceding the date of this Prospectus.

Although the Company Shares never listed on any exchange, in December 2007, the company was issued a Cease Trade Order for failure to file its annual audited financial statements for the year ended July 31, 2007, which Cease

Trade Order was extended in January 2008 and subsequently revoked in August 2010. None of the current officers or directors were associated with the Company during this period.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or promoter of the Company or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10% of any class of the Company's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of Company within the three years preceding the date of this document other than as disclosed in the financial statements and MD&A of the Company.

AUDITORS, REGISTRAR AND TRANSFER AGENT

Auditors
The auditors of the Company are Collins Barrow Toronto LLP of 11 King Street West, Suite 700, Box 27, Toronto, ON M5H 4C7.

Transfer Agent and Registrar
The transfer agent and registrar of the Company is CST Trust Company, 320 Bay Street, 3rd Floor Toronto, ON M5H 4A6.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Company within two years prior to the date hereof and which are currently in effect:

1. Share Exchange Agreement – see "Corporate Structure – The Acquisition";

2. Pueblo PSA – see "The Business – Significant Events and Milestones – In the United States";

3. Lease Agreement (MIP) dated July 23, 2014 – see "The Business – Significant Events and Milestones – In the United States";

4. Lease Agreement (Cultivation) dated July 23, 2014 – see "The Business – Significant Events and Milestones – In the United States";

5. Revolving Loan Agreement dated July 23, 2014 – see "The Business – Significant Events and Milestones – In the United States";

6. Regulatory Escrow Agreement to be entered into with CST and certain shareholders – see "Escrowed Securities and Other Securities Subject to Contractual Restrictions on Transfer";

7. Performance Based Escrow Agreement to be entered into with CST and certain shareholders - see "Escrowed Securities and Other Securities Subject to Contractual Restrictions on Transfer";

8. Transfer Agency and Registrar Agreement to be entered into with CST;

The Company's head and registered office is located at 77 King Street West, Suite 2905, Toronto-Dominion Centre Toronto, ON M5K 1H1.

INTEREST OF EXPERTS

The auditors of the Company are Collins Barrow Toronto LLP. Collins Barrow Toronto LLP has reported that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Company.

SCHEDULE "A"

FINANCIAL STATEMENTS OF SONOMA CAPITAL INC.

SONOMA CAPITAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2013 AND 2012

(EXPRESSED IN CANADIAN DOLLARS)

CONTENTS

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Directors of Sonoma Capital Inc.

We have audited the accompanying consolidated financial statements of Sonoma Capital Inc., which comprise the consolidated statements of financial position as at July 31, 2013 and July 31, 2012 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended July 31, 2013 and 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sonoma Capital Inc. as at July 31, 2013 and July 31, 2012 and its financial performance and its cash flows for the years ended July 31, 2013 and July 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that may cast significant doubt about Sonoma Capital Inc.'s ability to continue as a going concern.

Licensed Public Accountants
Chartered Accountants
November 27, 2013
Toronto, Ontario

SONOMA CAPITAL INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

ASSETS	July 31, 2013	July 31, 2012
Current		
Cash	**$ -**	$ 34
Total Assets	**$ -**	$ 34
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 176,667**	$ 103,026
Total Liabilities	**$ 176,667**	$ 103,026
SHAREHOLDERS' DEFICIENCY		
Share capital (note 5)	**520,290**	520,290
Deficit	**(696,957)**	(623,282)
Total shareholders' deficiency	**(176,667)**	(102,992)
Total liabilities and shareholders' deficiency	**$ -**	$ 34

Nature of business and going concern (note 1)
Commitments and contingencies (note 8)

APPROVED ON BEHALF OF THE BOARD

"YANNIS BANKS"	**"CLAUDE FORGET"**
DIRECTOR	**DIRECTOR**

(See accompanying notes to the consolidated financial statements.)

SONOMA CAPITAL INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended July 31,	2013	2012
Expenses		
Professional fees	**$ 5,754**	$ 17,168
Consulting fees	**67,848**	127,427
Filing fees	**-**	2,803
Office and general	**73**	(377)
Total expenses	**(73,675)**	(147,021)
Other (income) expenses		
Loss on write down of note receivable (note 4)	**-**	217,107
Recovery of expenses	**-**	(4,990)
Interest income (note 4)	**-**	(12,107)
Net loss and comprehensive loss	**$ (73,675)**	$(347,031)
Loss per share weighted average number of shares outstanding – basic and diluted		
Loss per share	**(0.008)**	(0.038)
Weighted average number of common shares outstanding		
Basic and diluted	**9,600,000**	9,246,994

(See accompanying notes to the consolidated financial statements.)

SONOMA CAPITAL INC.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of Shares	Amount	Share based payments	Warrants	Accumulated Deficit	Total
Balance at August 1, 2011	**3,800,000**	**$ 240,000**	**$ -**	**$ -**	**$ (276,251)**	**$ (36,251)**
Common stock issued in private placement	5,600,000	280,000			-	280,000
Common stock issued for settlement of debt and for services	200,000	10,000	-	-	-	10,000
Cost of share issuance - cash		(9,710)	-	-	-	(9,710)
Net loss and comprehensive loss for the year	-	-	-	-	(347,031)	(347,031)
Balance at July 31, 2012	**9,600,000**	**$ 520,290**	**$ -**	**$ -**	**$ (623,282)**	**$ (102,992)**
Net loss and comprehensive loss for the year	-	-	-	-	(73,675)	(73,675)
Balance at July 31, 2013	**9,600,000**	**$ 520,290**	**$ -**	**$ -**	**$ (696,957)**	**$ (176,667)**

(See accompanying notes to the consolidated financial statements.)

SONOMA CAPITAL INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended July 31,	**2013**	2012
Operating Activities		
Net loss	**$ (73,675)**	$ (347,031)
Adjustments for non-cash items:		
Loss on write down of note receivable	**-**	217,107
Common stock issued for services provided	**-**	5,000
Recovery of expenses	**-**	4,990
Changes in non-cash working capital items:		
Accounts receivable	**-**	(8,551)
Accounts payable and accrued liabilities	**73,641**	62,553
	(34)	(65,932)
Financing Activities		
Issuance of share capital, net of issue costs	**-**	270,290
	-	270,290
Investing Activities		
Loans provided to investee	**-**	(205,000)
	-	(205,000)
Net decrease in cash during the period	**(34)**	(642)
Cash – beginning of the year	**34**	676
Cash – end of the year	**$ -**	$ 34

(See accompanying notes to the consolidated financial statements.)

1. Nature of Business and Going Concern

Sonoma Capital Inc. (the "Company" or “Sonoma”) was incorporated under the Canada Business Corporations Act on July 19, 2004. The Company was previously classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has nominal assets and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

On October 3, 2011, the Company incorporated Sonoma Energy Inc. (“Sonoma Energy”) in Nevada, USA. Sonoma Energy does not have operations, assets or liabilities.

The Company filed a final prospectus on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec.

The Company did not raise any proceeds relating to this prospectus offering and all deferred share issuance fees relating to this offering were expensed.

The Company’s head office is located at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1H1.

During the year ended July 31, 2013, the Company incurred a loss of $73,675 (2012 - $347,031) and, as of that date, the Company had accumulated deficit of $696,957 (2012 - $623,282), a working capital deficiency of $176,667 (2012 - $103,026) and negative cash flows from operations of $34 (2012 - $65,932). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's continuing ability to meet its obligations as they come due is dependent upon continued financial support from related parties (Note 6) and its ability to raise additional funds through the issuance of shares or debt.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

2. Basis of Preparation

2.1 Statement of compliance

The Company’s Consolidated Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the year ended July 31, 2013.

The consolidated financial statements of the Company for the year ended July 31, 2013 were approved and authorized for issue by the Board of Directors on November 27, 2013.

2.2 Basis of presentation

The audited consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2. Basis of Preparation (continued)

2.3 Adoption of new and revised standards and interpretation

At the date of authorization of these Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.
- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements'* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.
- IAS 1 '*Presentation of Financial Statements'* - effective for annual periods beginning on or after January 1, 2013, the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.
- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.
- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

2. Basis of Preparation (continued)

2.3 Adoption of new and revised standards and interpretation (continued)

- IAS 28 '*Investments in Associates and Joint Ventures'* - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

3. Summary of significant accounting policies

a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary, Sonoma Energy. Sonoma Energy was incorporated on October 3, 2011, in the state of Nevada and is a subsidiary entity controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an entity as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the date control commences until the date that control ceases.

Business acquisitions are accounted for using the acquisition method.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

b) Functional and presentation currency

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency.

c) Cash

Cash consists of cash on deposit with a bank in a general non-interest bearing account and funds held in trust by the Company’s lawyers.

d) Financial instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables and at fair value through profit and loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Cash is classified as fair value through profit or loss.

Financial assets classified as held-to-maturity and loans and receivables are measured at amortized cost using the effective interest rate method.

3. Summary of significant accounting policies (continued)

d) Financial instruments (continued)

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which measured at cost. The Company does not have any financial assets classified as available-for-sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the assets.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through the profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company has not classified any financial liabilities as fair value through the profit and loss.

e) Income taxes

The Company accounts for income taxes in accordance with the liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Company uses the fair value method of accounting for options granted under share purchase option plans. Options granted to directors, officers and employees are measured at the fair value of the options granted at the grant date, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation previously included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

3. Summary of significant accounting policies (continued)

e) Income taxes (continued)

The costs of equity-settled transactions for services or debt are measured by reference to the fair value at the date on which they are granted.

f) Share based payments

The Company operates a stock option plan as part of its compensation of directors, officers, employees, or consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase in stock-based compensation expense and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase in capital stock. In the event that the vested stock options expire, previously recognized stock-based compensation is not reversed. In the event that stock options are forfeited, previously recognized stock-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments are based on the fair value of the goods or services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the good or services.

g) Other comprehensive income

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available-for-sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position. At present, the Company has no other comprehensive income or loss.

h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. Summary of significant accounting policies (continued)

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding, if any, that may add to the total number of common shares. If the number of common shares outstanding increases or decreases as a result of share split or consolidation, the calculation of basic and diluted loss per share for all periods presented, is adjusted retrospectively.

j) Accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

Significant estimates used in the preparation of these consolidated financial statements include, among others, the recoverability of accounts receivable and notes receivable and the fair value of financial assets and liabilities. Actual results may differ from those estimates.

4. Notes receivable

As at July 31, 2012, the Company had provided loans to Caldera Geothermal Inc. (“Caldera”) aggregating $205,000. The notes receivable bear interest at 8% per annum, are unsecured, due on demand and have no specific repayment date.

Caldera is a related party by virtue of certain common shareholders.

As at July 31, 2012, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to $nil.

(Expressed in Canadian Dollars)

5. Share capital

Unlimited common shares authorized, issued and outstanding as follows:

	Number of Shares	Amount
August 1, 2011	3,800,000	240,000
Shares issued under private placement (i)	5,600,000	280,000
Shares issued for settlement of debt and services provided (ii)	200,000	10,000
Cost of share issuance		(9,710)
July 31, 2012 and 2013	9,600,000	$ 520,290

(i) Between August 23, 2011 and September 26, 2011, the Company completed a private placement of 5,600,000 common shares for aggregate cash consideration of $280,000, at $0.05 per common share.

(ii) On August 2, 2011, the Company issued 100,000 common shares to a director and shareholder of the Company in full and complete repayment of a $5,000 promissory note. On August 31, 2011, the Company issued 100,000 common shares to Foundation Opportunities Inc. ("FOI") for payment of $5,000 in consulting services provided, valued at $0.05 per common share.

6. Related party transactions

Cavalry Corporate Solutions Limited ("Cavalry") is related as a result of having officers and directors in common with the Company. Foundation Opportunities Inc. ("FOI") is related because it controls Cavalry.

On August 2, 2011, the Company settled a promissory note due to a director and shareholder of the Company in the amount of $5,000 through the issuance of 100,000 shares of common stock (note 5).

During the year ended July 31, 2013, Cavalry provided $67,800 (2012 - $68,515) of financial accounting and consulting services. Also, during the year ended July 31, 2013, FOI invoiced the Company $nil (2012 - $50,850) for strategic consulting services, of which $5,000 was paid through the issuance of 100,000 shares of the Company's common stock.

Included in accounts payable and accrued liabilities as at July 31, 2013 is $137,972 (July 31, 2012 - $62,975) in amounts due to related parties.

7. Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares and deficit, in the definition of capital. As at July 31, 2013, the Company had $nil (July 31, 2012 - $34) in cash and current liabilities of $176,667 (July 31, 2012 - $103,026), which is not sufficient for the Company to meet its ongoing obligations.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

8. Commitments and contingencies

The Company and Cavalry entered into a management services agreement on November 25, 2011. The management services agreement includes services for controllership, bookkeeping and corporate secretarial services. In consideration for these services the Company agreed to pay $5,000 per month until a going public transaction by the Company or as terminated by the Company.

9. Financial instruments

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

The carrying value of the Company's cash and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments

10. Financial risk exposure and risk management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for potential acquisitions or businesses with a view of completing a transaction, and limited exposure to credit and market risks.

The types of risk exposures and the way in which such exposures are managed as follows:

(a) Liquidity risk

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

(b) Interest rate risk

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

(c) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk.

(Expressed in Canadian Dollars)

11. Income taxes

(a) Income tax expenses

Reported income tax expense differs from the amounts computed by applying current tax rates to the loss before income taxes due to the following:

		2013		2012
Loss before income taxes	**$**	**(73,675)**	$	(347,031)
Statutory rate		**26.50%**		27.33%
Expected income tax recovery		**(19,500)**		(94,800)
Non-deductible expenses and other		**1,400**		200
Change in rates		**1,100**		5,600
Change in deferred tax assets not recognized		**17,000**		89,000
Income tax expense	**$**	**-**	$	-

(b) Future income taxes

The tax effect of significant differences that give rise to future income taxes is as follows:

		2013		2012
Non-capital loss carry forwards	**$**	**135,000**	$	112,000
Capital loss carry forwards		**27,000**		27,000
Share issuance costs		**1,000**		2,000
Net future tax asset		**163,000**		141,000
Less: deferred tax assets not recognized		**(163,000)**		(141,000)
	$	**-**	$	-

The Company has determined that the realization of a future tax asset is not probable and therefore the future tax asset has not been recorded.

(Expressed in Canadian Dollars)

11. Income taxes, (continued)

(c) Loss and tax credit carryforwards

As at July 31, 2013 the Company has non-capital losses which are available to reduce future year's taxable income. The potential income tax benefits associated with these losses have not been recorded in the accounts. The approximate amounts and expiry dates of these non-capital loss carry forwards are as follows:

2027	$ 81,700
2028	23,400
2029	4,000
2030	55,600
2031	57,600
2032	240,400
2033	75,600
	$ 538,300

As at July 31, 2013 the Company also has capital losses which do not expire in the amount of $217,107 that are available to reduce future capital gains.

SONOMA CAPITAL INC.

CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED APRIL 30, 2014 AND 2013

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

The accompanying condensed unaudited interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

CONTENTS

SONOMA CAPITAL INC.
Condensed Unaudited Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	April 30, 2014	July 31, 2013
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	**$ 64,099**	$ 176,667
Total Liabilities	**$ 64,099**	$ 176,667
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 3)	**568,131**	520,290
Deficit	**(632,230)**	(696,957)
Total shareholders' deficiency	**(64,099)**	(176,667)
Total liabilities and shareholders' deficiency	**$ -**	$ -

Nature of business and going concern (note 1)
Commitments and contingencies (note 6)

APPROVED ON BEHALF OF THE BOARD

"YANNIS BANKS"
DIRECTOR

"CLAUDE FORGET"
DIRECTOR

(See accompanying notes to the condensed unaudited interim consolidated financial statements.)

SONOMA CAPITAL INC.

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

	Three months ended April 30, 2014	Three months ended April 30, 2013	**Nine months ended April 30, 2014**	Nine months ended April 30, 2013
Expenses				
Professional fees	**$ 3,256**	$ 3,806	**$ 11,427**	$ 4,244
Consulting fees (recovery) (Note 4)	**(4,520)**	16,998	**29,380**	50,898
Office and general	**-**	-	**41**	72
	1,264	(20,804)	**(40,848)**	(55,214)
Other income				
Debt forgiveness (Note 4)	**105,575**	-	**105,575**	-
Net income (loss) and comprehensive income (loss)	**106,839**	(20,804)	**64,727**	(55,214)
Income (loss) per share weighted average number of shares outstanding – basic and diluted				
Income (loss) per share	**0.010**	(0.002)	**0.006**	(0.006)
Weighted average number of common shares outstanding				
Basic and diluted	**10,918,272**	9,600,000	**10,033,009**	9,600,000

(See accompanying notes to the condensed unaudited interim consolidated financial statements.)

SONOMA CAPITAL INC.
Condensed Unaudited Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of Shares	Amount	Share based payments	Warrants	Accumulated Deficit	Total
Balance at July 31, 2012	**9,600,000**	**$ 520,290**	**$ -**	**$ -**	**$ (623,282)**	**$ (102,992)**
Net loss and comprehensive loss for the period	-	-	-	-	(55,214)	(55,214)
Balance at April 30, 2013	**9,600,000**	**$ 520,290**	**$ -**	**$ -**	**$ (678,496)**	**$ (158,206)**
Net loss and comprehensive loss for the period	-	-	-	-	(18,461)	(18,461)
Balance at July 31, 2013	**9,600,000**	**$ 520,290**	**$ -**	**$ -**	**$ (696,957)**	**$ (176,667)**
Shares issued for settlement of debt (Note 3)	1,913,620	47,841	-	-	-	47,841
Net income and comprehensive income for the period	-	-	-	-	64,727	64,727
Balance at April 30, 2014	**11,513,620**	**$ 568,131**	**$ -**	**$ -**	**$ (632,230)**	**$ (64,099)**

(See accompanying notes to the condensed unaudited interim consolidated financial statements.)

SONOMA CAPITAL INC.
Condensed Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the nine months ended April 30,	2014	2013
Operating Activities		
Net income (loss)	**$ 64,727**	$ (34,410)
Items not affecting cash:		
Gain on extinguishment of debt	**105,575**	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**(170,302)**	34,376
	-	(34)
Net decrease in cash during the period	**-**	(34)
Cash – beginning of the period	**-**	34
Cash – end of the period	**$ -**	$ -

(See accompanying notes to the condensed unaudited interim consolidated financial statements.)

1. Nature of Business and Going Concern

Sonoma Capital Inc. (the "Company" or “Sonoma”) was incorporated under the Canada Business Corporations Act on July 19, 2004. The Company was previously classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has nominal assets and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

On October 3, 2011, the Company incorporated Sonoma Energy Inc. (“Sonoma Energy”) in Nevada, USA. Sonoma Energy does not have operations, assets or liabilities.

The Company filed a final prospectus on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec.

The Company did not raise any proceeds relating to this prospectus offering and all deferred share issuance fees relating to this offering were expensed.

The Company’s head office is located at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1H1.

On June 27, 2014, the Company changed its name to Nutritional High International Inc. as further discussed at Note 9.

During the nine month period ended April 30, 2014, the Company incurred an income of $64,727 (Year ended July 31, 2013 - $73,675 loss) and, as of that date, the Company had accumulated deficit of $632,230 (July 31, 2013 - $696,957), a working capital deficiency of $64,099 (July 31, 2013 - $176,667) and negative cash flows from operations of $nil (Year ended July 31, 2013 - $34). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's continuing ability to meet its obligations as they come due is dependent upon continued financial support from related parties (Note 4) and its ability to raise additional funds through the issuance of shares or debt.

These interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

2. Basis of Preparation

2.1 Statement of compliance

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

The unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended April 30, 2014 were approved and authorized for issue by the Board of Directors on November 27, 2013.

(Expressed in Canadian Dollars)

2. Basis of Preparation, (continued)

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's July 31, 2013, annual consolidated financial statements.

2.3 Adoption of new and revised standards and interpretation

At the date of authorization of these Condensed Unaudited Interim Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.
- IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.
- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.
- IFRIC 21 – Levies ("IFRIC 21") was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted.

3. Share capital

Unlimited common shares authorized, issued and outstanding as follows:

	Number of Shares	Amount
Balance at July 31, 2013	9,600,000	$ 520,290
Shares issued for settlement of debt (Note 4)	1,913,620	47,841
Balance at April 30, 2014	11,513,620	$ 568,131

4.

Related party transactions

Cavalry Corporate Solutions Ltd. (“Cavalry”) is related as a result of having officers and directors in common with the Company. Foundation Opportunities Inc. (“FOI”) is related because it controls Cavalry.

During the nine month period ended April 30, 2014, Cavalry provided $22,600 (2013 - $50,850) of financial accounting and consulting services, which is net of $28,250 of financial accounting fees forgiven.

During the nine month period ended April 30, 2014, the Company recorded a gain on the financial accounting fees forgiven by Cavalry in the amount of $105,575 (2013 - $nil)

During the nine month period ended April 30, 2014, FOI provided $6,780 (2013 - $nil) of consulting services.

During the nine month period ended April 30, 2014, the Company issued 904,000 shares (2013 – nil shares) to Cavalry to settle debts in the amount of $22,600 (2013 - $nil).

During the nine month period ended April 30, 2014, the Company issued 1,009,620 shares (2013 – nil shares) to FOI to settle debts in the amount of $25,241 (2013 - $nil).

Included in accounts payable and accrued liabilities as at April 30, 2014 is $21,245 (July 31, 2013 - $138,022) in amounts due to related parties.

5. Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares and deficit, in the definition of capital. As at April 30, 2014, the Company had $nil (July 31, 2013 - $nil) in cash and current liabilities of $64,099 (July 31, 2013 - $176,667), which is not sufficient for the Company to meet its ongoing obligations.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

6. Commitments and contingencies

The Company and Cavalry entered into a management services agreement on November 25, 2011. The management services agreement includes services for controllership, bookkeeping and corporate secretarial services. In consideration for these services the Company agreed to pay $5,000 per month until a going public transaction by the Company or as terminated by the Company. As of April 30, 2014, the agreement has been terminated.

7. Financial instruments

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

The carrying value of the Company's cash, and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments.

8. Financial risk exposure and risk management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for potential acquisitions or businesses with a view of completing a transaction, and limited exposure to credit and market risks.

The types of risk exposures and the way in which such exposures are managed as follows:

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at April 30, 2014, the Company had $nil (July 31, 2013 - $nil) in cash and current liabilities of $64,099 (July 31, 2013 - $176,667), which is not sufficient for the Company to meet its ongoing obligations. As as result, the Company is susceptible to liquidity risk due to the negative working capital.

(b) Interest rate risk

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

(c) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk.

9. Subsequent event

On May 27, 2014, the Company received a loan in the amount of $35,000 from Nutritional High Ltd., ("Nutritional High") bearing interest at 10% per annum, with principal and interest due on demand.

On May 28, 2014, the Company received a subscription for $100,000 in gross proceeds from an unrelated party unable to subscribe for shares of such unlisted entity as Nutritional High. This Subscription is conditional on the Company completing a listing before July 31, 2014. Pursuant to subscription, the Company will issue an additional 4,000,000 units. Each Unit will be comprised of one Company share, and one half of one Company warrant. The Units issued pursuant to subscription will be subject to a four month hold from the date the funds are released from escrow to the Company. The Company will pay a finder's fee equal to 8% of gross proceeds raised under the subscription and issue finder's warrants equal to 8% of the Units issued. Each finder's warrant will be exercisable into Unit at a price of $0.025 per Unit for a period of 18 months from the Closing Date.

On June 27, 2014, the Company completed the acquisition of all issued and outstanding shares of Nutritional High through the share exchange and changed its name to Nutritional High International Inc.

SCHEDULE "B"

FINANCIAL STATEMENTS OF NHL

Nutritional High Ltd.

Consolidated Financial Statements

For the period from
April 17, 2014 *(date of incorporation)*
to June 13, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Nutritional High Ltd., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the consolidated statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"David Posner", Director and CEO
David Posner

"Marco Guidi", CFO
Marco Guidi

Collins Barrow
Chartered Accountants

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Directors of Nutritional High Ltd.

We have audited the accompanying consolidated financial statements of Nutritional High Ltd., and its subsidiaries which comprise the consolidated statement of financial position as at June 13, 2014 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the period from the date of incorporation April 17, 2014 to June 13, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nutritional High Ltd., and its subsidiaries as at June 13, 2014, and its financial performance and its cash flows for the period from the date of incorporation April 17, 2014 to June 13, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubt about Company's ability to continue as a going concern.

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
June 24, 2014

Nutritional High Ltd.

Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

As at June 13,		**2014**
Assets		
Current		
Cash *(Note 12)*	**$**	**629,154**
HST receivable *(Note 4)*		**13,292**
Loan receivable *(Note 5)*		**35,000**
		677,446
None-current assets		
Property deposit *(Note 6)*		**21,952**
	$	**699,398**
Liabilities		
Current		
Accounts payable and accrued liabilities *(Notes 7 & 8)*	**$**	**29,465**
		29,465
Shareholders' Equity		
Share Capital *(Note 9)*		**756,600**
Reserve for warrants *(Note 9,10)*		**59,000**
Accumulated deficit		**(145,667)**
		669,933
	$	**699,398**

Nature of Operations and Going concern (Note 1)
Subsequent Events (Note 14)

Approved on behalf of the Board:

"Adam Szweras" Director

"Statis Rizas" Director

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

Nutritional High Ltd.

Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the period from April 17, 2014 *(date of incorporation)* to June 13, 2014
Administrative expenses		
Management and consulting fees *(Note 8)*	$	103,573
Professional fees *(Note 8)*		26,165
Office and general		15,929
Net loss and comprehensive loss	**$**	**145,667**
Loss per share - basic and diluted		0.35¢
Weighted average number of shares outstanding		41,261,147

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

Nutritional High Ltd.

Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	**Amount**	**Reserve for warrants**	**Accumulated Deficit**	**Total**
Balance at April 17, 2014 *(date of incorporation)*	-	$ -	$ -	$ -	$ -
Founders shares issued	**30,400,000**	**167,000**	**-**	**-**	**167,000**
Private placements	**24,287,651**	**607,191**	**-**	**-**	**607,191**
Warrants issued	**-**	**(59,000)**	**59,000**	**-**	**-**
Shares to be issued	**1,710,680**	**42,767**	**-**	**-**	**42,767**
Share issue costs	**-**	**(1,358)**	**-**	**-**	**(1,358)**
Total loss and comprehensive loss for the period	**-**	**-**	**-**	**(145,667)**	**(145,667)**
Balance at June 13, 2014	**59,398,331**	**$ 756,600**	**$ 59,000**	**$ (145,667)**	**$ 669,933**

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

Nutritional High Ltd.

Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

		For the period from April 17, 2014*(date of incorporation)* to June 13, 2014
OPERATING ACTIVITIES		
Net Loss	$	(145,667)
Net change in non-cash working capital :		
HST receivable		(13,292)
Accounts payable and accrued liabilities		105,485
Cash Flow Used in Operating Activities		(53,474)
INVESTING ACTIVITIES		
Loan advance		(35,000)
Property deposit		(21,952)
Cash Flow Used in Investing Activities		(56,952)
FINANCING ACTIVITIES		
Issuance of share capital, net of share issue costs		739,580
Cash Flow From Financing Activities		739,580
Net increase in cash	$	629,154
Cash at beginning of period		-
Cash at end of period	$	629,154

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

1. Nature of Operations and Going Concern

Nutritional High Ltd., ("Nutritional High" or "the Company" or "NHL") was incorporated on April 17, 2014 under the Canada Business Corporations Act. The Company's objective is to take advantage of the changing regulation governing the marijuana industry in the United States and Canada. To date, the Company has not earned significant revenues and is considered to be a development stage entity. The address of the Company's registered office is 77 King Street West, Suite 2905, Toronto, Ontario M5K 1H1.

The Company is in the process of developing brands, trademark applications, and packaging for a confectionery line. The Company is also developing a licensing/franchising system to work with licensed marijuana edibles manufacturers and in this regard, is negotiating with parties who are licensed or seeking a manufacturing license.

The consolidated financial statements were approved the Board of Directors on June 24, 2014.

On April 24, 2014 the Company signed an Option agreement to acquire a 50% interest in a company that is applying for Marijuana for Medical Purposes Regulations ("MMPR") license for facility located in Haldimand County, Ontario.

The Company has not yet realized any revenue from its obligations and will not be able to do so until a license/franchise arrangement is negotiated. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent upon such events as financing, entering into agreements with licensees, commencement of sales and market demand conditions. As is common with development stage companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned activities and to cover administrative costs.

At June 13, 2014 the Company had a working capital of $647,981, had not yet achieved profitable operations, has accumulated losses of $145,667 and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned business operations, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

2. Basis of Presentation

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended June 13, 2014.

2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2. Basis of Presentation (continued)

2.3 Basis of consolidation

The consolidated financial statements include the accounts of Nutritional High Ltd. and its wholly – owned subsidiaries Nutritional High (Colorado), Inc. and NHC Edibles, LLC with jurisdiction in Colorado, US.

The subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

The functional currency of the parent is the Canadian dollar, which is the presentation currency of the consolidated financial statements. The function currency of US subsidiaries is US dollar.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

2.4 Adoption of new and revised standards and interpretations

New standards and interpretations to be adopted in future

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting and the effective date and transition provisions were amended to remove the mandatory effective date of IFRS 9. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

3. Summary of Significant Accounting Policies

3.1 Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically measured, they are measured at fair value of the share-based payment.

3. Summary of Significant Accounting Policies (continued)

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest.

Equity settled transactions

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

3.2 Loss per share

Basic loss per share is calculated using the weighted number of shares outstanding. Diluted loss per share is calculated using the weighted average number of common and potential common shares outstanding during the period. In order to determine diluted loss per share, it is assumed that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share. Total shares issuable from warrants were excluded from the computation of diluted loss per share because they were anti-dilutive for the period ended June 13, 2014.

3.3 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. Summary of Significant Accounting Policies (continued)

3.3 Taxation (continued)

Deferred income tax **(continued)**
Deferred income tax liabilities are recognized for all taxable temporary differences, except:

• where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

• where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3. Summary of Significant Accounting Policies (continued)

3.4 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's other receivables and loan receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At June 13, 2014 the Company has not classified any financial assets as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.5 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At June 13, 2014 the Company has not classified any financial liabilities as FVTPL.

3. Summary of Significant Accounting Policies (continued)

3.6 Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.7 Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

3. Summary of Significant Accounting Policies (continued)

3.7 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss and the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount.

3.8 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.9 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.10 Share issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

3.11 Share capital

In situations where the Company issues units, the value of warrants is bifurcated and is included as the separate reserve of the Company's equity.

3. Summary of Significant Accounting Policies (continued)

3.12 Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of HST, loan receivable, valuation of deferred income tax amounts, and valuation of warrants and shares issued during private placements.

The most significant judgements relate to recognition of deferred tax assets and liabilities, and the determination of the economic viability of the Company's business model.

3.13 Foreign currency translation

Assets, liabilities and operations of foreign subsidiaries are recorded based on the functional currency of each entity. For Canadian foreign operations, the functional currency is the Canadian Dollars, in which case the assets, liabilities and operations are translated at current exchange rates from the local currency to the reporting currency, the US dollar. The resulting unrealized gains or losses are reported as a component of accumulated other comprehensive income ("AOCI"). As the foreign operations had no activities, there was no AOCI at the date of the statement of financial position. Realized and unrealized foreign currency gains or losses related to any foreign dollar denominated monetary assets and liabilities are included in the consolidated statement of loss and comprehensive loss.

4. HST Receivable

The Company's HST receivable arose from harmonized sales tax ("HST") due from the Canadian government.

At June 13, 2014, the Company anticipates full recovery of the amount and therefore no impairment has been recorded against this receivable.

5. Loan Receivable

On May 27, 2014, the Company loaned $35,000 to Sonoma Capital Inc., ("Sonoma") bearing interest at 10% per annum, with principal and interest due on demand. As of June 13, 2014, $35,000 is receivable under the loan. The Company entered into an agreement with Sonoma as described in Note 14.

6. Property Deposit

The Company through its wholly owned subsidiary NHC Edibles, LLC made a refundable deposit on the purchase of the commercial property located in Colorado, USA with remaining commitment of USD $865,000 upon closing.

(expressed in Canadian Dollars)

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

The following is an aged analysis of accounts payable and accrued liabilities:

		As at, June 13, 2014
		$
Less than 1 month		**29,465**
Over 1 month		**-**
Total accounts payable and accrued liabilities	**$**	**29,465**

8. Related Parties and Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

For the period from April 17, 2014 *(date of incorporation)* to June 13, 2014 the Company incurred fees of $3,000 from Branson Corporate Services, a Company with a related director.

For the period from April 17, 2014 *(date of incorporation)* to June 13, 2014 the Company incurred fees of $43,000 from Foundation Opportunities Inc., a Company with a related director.

For the period from April 17, 2014 *(date of incorporation)* to June 13, 2014 the Company incurred fees of $10,911 from Fogler Rubinoff, a law firm in which a director of the Company is a partner.

For the period from April 17, 2014 *(date of incorporation)* to June 13, 2014 the Company issued 13,500,000 shares and 1,750,000 warrants to directors of the Company valued at $137,500 and $8,750 respectively.

Total key management compensation amounted to $99,911 for the period from April 17, 2014 *(date of incorporation)* to June 13, 2014 of which $65,000 represented value of shares where fair value was determined based on the value of services provided.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at June 13, 2014, $29,124 is included in accounts payable and accrued liabilities.

(expressed in Canadian Dollars)

9. Share Capital

Nutritional High is authorized to issue an unlimited number of common shares. The issued and outstanding common shares consist of the following:

	Number	Amount ($)
Balance at April 17, 2014 *(date of incorporation)*	-	-
Founders shares	30,400,000	167,000
Private placement – 1st tranche	22,106,853	552,671
Private placement – 2nd tranche	2,180,798	54,520
Warrants issued		(59,000)
Shares to be issued – 3rd tranche	1,710,680	42,767
Share issue costs		
Cash	-	(1,358)
Balance at June 13, 2014	59,398,331	756,600

On May 16, 2014, the Company completed the first tranche of its non-brokered private placement of 22,106,853 units at $0.025 per unit for gross proceeds of $552,671. Each unit consisted of one common share and one half of one share purchase warrant, with each warrant exercisable into one common share at a price of $0.05 per share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, amalgamation, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO.

On May 30, 2014, the Company completed the second tranche of its non-brokered private placement of 2,180,798 units at $0.025 per unit for gross proceeds of $54,520. Each unit consisted of one common share and one half of one share purchase warrant, with each warrant exercisable into one common share at a price of $0.05 per share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, amalgamation, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO.

As part of the third tranche of private placement in June, 2014, the Company received $42,767 for units to be issued at $0.025 per unit. Each unit consisted of one common share and one half of one share purchase warrant, with each warrant exercisable into one common share at a price of $0.05 per share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, amalgamation, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO. As further discussed at Note 14, the units to be issued at June 13, 2014 were issued subsequent to the period ended June 13, 2014.

For the period from April 17, 2014 (date of incorporation) to June 13, 2014 the Company issued 11,140,798 shares valued at $76,020 as compensation for services where the fair value of shares was determined based on the value of services received.

Cash costs in connection with the two tranches amounted to $1,358.

(expressed in Canadian Dollars)

10. Reserve for Warrants

The following table reflects the continuity of warrants for the period from April 17, 2014 *(date of incorporation)* to June 13, 2014:

	Number of Warrants	Amount $
Balance – April 17, 2014 *(date of incorporation)*	-	-
Warrants pursuant to private placement (i)	12,143,826	59,000
Balance – June 13, 2014	**12,143,826**	**59,000**

(i) The warrants issued pursuant to the private placement on May 16, 2014 and May 30, 2014 are described in note 9 above and have a fair value of $59,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.04 – 1.05%	Expected volatility	100%
Dividend yield	nil	Expected life-warrants	19 months

Warrants to purchase common shares carry exercise prices and terms to maturity as follows:

Exercise price	Number of outstanding exercisable warrants	Expiry date	Remaining contractual life (years)
$			
0.05	12,143,826	earlier of 36 months or 18 months from qualifying transaction	1.6

11. Management of Capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period from April 17, 2014 *(date of incorporation)* to June 13, 2014. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, reserve for warrants and deficit, which as at June 13, 2014 totaled $669,933.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

12. Financial Instruments

Fair Value of Financial Instruments

The fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 inputs for the asset or liability that are not based upon observable market data.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company designated its cash as fair value through profit and loss, which is measured at fair value and is classified as Level 1.

The carrying value of the Company's cash, loan receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is in a trust account with the Company's lawyer.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 13, 2014, the Company had current assets of $677,446 and current liabilities of $29,465. All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. As at June 13, 2014, working capital of the Company is $647,981.

(expressed in Canadian Dollars)

13. Income Taxes

Provision for Income Taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for Canadian income tax purposes of approximately $143,613 which will expire in 2034.

The Company has share issue costs of $1,086 available for deduction against future Canadian taxable income over the next four years.

	June 13, 2014
Loss before income taxes	$ (145,667)
Tax rate	26.50%
Calculated income tax recovery	(38,602)
Non-deductible expense and other	257
Change in deferred taxes not recognized	38,345
Income tax expense	$ -

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

	June 13, 2014
Deferred income tax assets	
Non-capital loss carry forwards	$ 38,057
Share issue costs	288
	38,345
Less: Deferred taxes not recognized	(38,345)
	$ -

14. Subsequent events

On June 20, 2014, Nutritional High entered into an agreement with Sonoma, a reporting issuer, and the shareholders of Sonoma whereby Sonoma will acquire all of the outstanding securities of Nutritional High.

Subject to completion of satisfactory due diligence, and receipt of applicable regulatory approvals, Sonoma will acquire all of the issued and outstanding common shares of Nutritional High. Sonoma will also exchange all of the outstanding convertible securities of NHL on a one-for-one basis for convertible securities of Sonoma with the same terms. The Transaction is an arm's length transaction.

The closing of the transaction is subject to a number of conditions, including but not limited to, the receipt of all requisite regulatory approvals, and the approval of Sonoma's shareholders. The proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

14. Subsequent events (continued)

Subsequent to the period ended June 13, 2014, the Company completed the third tranche of non-brokered private placement of 2,712,360 units at $0.025 per unit for gross proceeds of $67,809 of which $42,767 and 1,710,680 units respectively were received prior to the period ended June 13, 2014 and related to the units to be issued at June 13, 2014 as discussed at Note 9. Each unit consisted of one common share and one half of one share purchase warrant, with each warrant exercisable into one common share at a price of $0.05 per share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, amalgamation, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO.

SCHEDULE "C"

UNAUDITED PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR JUNE 13, 2014

Nutritional High Ltd.

Unaudited Pro Forma Consolidated Financial Statements

June 13, 2014

Nutritional High Ltd.
Unaudited Pro Forma - Consolidated Statement of Financial Position as at June 13, 2014

	Historical		Pro Forma		
	Nutritional High June 13, 2014 (Audited)	**Sonoma April 30, 2014 (Unaudited)**	**Adjustments**	**Notes**	**Nutritional High Ltd. June 13, 2014 (Unaudited)**
Assets					
Current Assets					
Cash	629,154	-	(40,000)	(2)	
			100,000	(5)	
			(8,000)	(5)	681,154
HST receivable	13,292	-	-		13,292
Loan receivable	35,000	-	(35,000)	(3)	-
None-current					
Property deposit	21,952				21,952
	699,398	**-**	**17,000**		**716,398**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	29,465	64,099	(35,000)	(3)	58,564
	29,465	**64,099**	**(35,000)**		**58,564**
Shareholders' Equity					
Share capital	756,600	568,131	(568,131)	(1)	
			1,484,958	(1)	
			100,000	(5)	
			(10,000)	(5)	
Reserve for warrants	59,000		(8,000)	(5)	2,323,558
			10,000	(5)	69,000
Accumulated deficit	(145,667)	(632,230)	632,230	(1)	
			(1,549,057)	(1)	
			(40,000)	(2)	(1,734,724)
	669,933	**(64,099)**	**1,641,057**		**657,834**
	699,398	**-**	**1,606,057**		**716,398**

See accompanying notes

Nutritional High Ltd.
Unaudited Pro Forma - Consolidated Statement of Loss and Comprehensive Loss

	Historical			Pro-Forma
	Nutritional High	Sonoma		Nutritional High Ltd.
	Period ended June 13, 2014	Nine month period ended April 30, 2014	Adjustments	Period ended June 13, 2014
	(Audited)	(Unaudited)		(Unaudited)
Operating Expense				
Management and Consulting Fees	103,573	29,380	-	132,953
Professional fees	26,165	11,427	-	37,592
Office, General and Administrative	15,929	41	-	15,970
	(145,667)	**(40,848)**		**(186,515)**
Other Income				
Debt forgiveness	-	105,575	-	105,575
Net Income (Loss)	**(145,667)**	**64,727**	**-**	**(80,940)**
Net Loss per share - basic and fully diluted				**(0.002)**
Weighted average number of shares outstanding - basic and fully diluted				**52,774,767**

See accompanying notes

Nutritional High Ltd.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
June 13, 2014

PROPOSED ARRANGEMENT

Nutritional High Ltd. ("Nutritional High") entered into a share exchange agreement with Sonoma Capital Inc. ("Sonoma") on June 20, 2014. The transaction agreement provides that, among other things, all of the issued and outstanding common shares of Nutritional High (the "Nutritional High Shares") will be exchanged for 1 shares of the resulting issuer ("Resulting Issuer"). Each Nutritional High share purchase warrant will be exchanged for 1 replacement warrants. Upon completion of the transaction and assuming the Concurrent Financing is fully subscribed (see "Pro Forma Assumptions and Adjustments"), the Nutritional High Shareholders will hold approximately 79% of the outstanding shares of the resulting issuer (the "Resulting Issuer") and the shareholders of Sonoma will hold approximately 21% of the outstanding shares of the Resulting Issuer. The transaction will be considered a reverse takeover under the policies of the TSX Venture Exchange (the "Exchange"). Upon completion of the share exchange, it is expected that the resulting issuer's name Sonoma will be "Nutritional High International Inc.".

Although the transaction will result in a legal combination of Nutritional High and Sonoma to form the Resulting Issuer, because Sonoma does not meet the criteria for a business per IFRS 3, from an accounting perspective, the transaction is considered to be a takeover transaction. The transaction is not considered to be a business combination but a capital transaction whereby Sonoma is considered to issue additional shares in return for the net assets of Nutritional High. See "*Pro Forma Assumptions and Adjustments*" below.

For financial reporting purposes, the Company is considered a continuation of Nutritional High, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Sonoma, the legal parent.

BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position as at June 13, 2014, has been prepared by management of Nutritional High to give effect to the transaction. In the opinion of management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the transaction in accordance with International Financial Reporting Standards.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro forma consolidated statement of financial position is not a forecast or projection of future results. The actual financial position and results of operations of Nutritional High Ltd. for any period following June 13, 2014 will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements of Sonoma as at July 31, 2013 and 2012 and the unaudited interim consolidated financial statements of Sonoma as at April 30, 2014, and the audited consolidated financial statements of Nutritional High as at June 13, 2014.

PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

1. In accordance with reverse acquisition accounting, and IFRS 2:

(i) The assets and liabilities of Nutritional High are included in the unaudited pro forma consolidated statement of financial position at their historic value.

(ii) The net assets of Sonoma are included at fair value, assumed to be equal to their carrying value at April 30, 2014.

(iii) Share capital, reserve accounts, and the deficit of Sonoma are eliminated.

Fair value of Sonoma's transaction was based on the concurrent private placement share value. The preliminary purchase price of $1,484,958 has been allocated as follows:

Accounts payable and accrued liabilities	$ (64,099)
Listing costs expensed	1,549,057
	$ **1,484,958**

2. Costs associated with the transaction are estimated to be $40,000 and will be expensed on completion of the acquisition.

3. Loans provided by Nutritional High to Sonoma in May 2014 which have been used to pay liabilities by Sonoma subsequent to April 30, 2014 are reflected as a pay down of liabilities.

4. The unaudited pro forma consolidated statement of financial position as at June 13, 2014 includes third tranche of private placement financing of $42,767 for units to be issued at $0.025 per unit. Each unit consisted of one common share and one half of one share purchase warrant, with each warrant exercisable into one common share at a price of $0.05 per share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, transaction, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO. As of the date of filing of the unaudited pro forma consolidated statement of financial position, Nutritional High Ltd. has received $67,809 from third tranche of private placement financing for units to be issued at $0.025 per unit under the terms described above.

5. The unaudited pro forma consolidated statement of financial position as at June 13, 2014 includes a proposed brokered financing of Sonoma (the "Concurrent Financing") of 4,000,000 in units of Sonoma (the "Sonoma Units") at $0.025 per Sonoma Unit for proceeds of $100,000, to be completed concurrently with the completion of the transaction. Each Sonoma Unit shall consist of one (1) Sonoma Share and one-half of one Sonoma Warrant, with each whole Sonoma Warrant exercisable to acquire one (1) Sonoma Share at $0.05 until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, transaction, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO.

The fair value of the 2,000,000 share purchase warrants was estimated at $10,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.05%; volatility 100% and an expected life of 19 months.

The proposed brokered financing of Sonoma includes 8% of broker commission, consisting of $8,000 in cash commission and 320,000 broker units. Each broker unit consists of one (1) Sonoma Share and one-half of one Sonoma Warrant, with each whole Sonoma Warrant exercisable to acquire one (1) Sonoma Share at $0.05 until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between the Company and a public company pursuant to a reverse take-over, merger, transaction, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("business combination") or IPO.

A warrant is valued at $0.0025 based on the Black-Scholes pricing model with such inputs as: risk free rate of 1.04%; life of an option of 19 months; expected volatility of 100%; market price of a share at the date prior to the issue of $0.02; exercise price of an option of $0.05; dividend yield of 0%.

6. The unaudited pro forma consolidated statement of loss and comprehensive loss as at June 30, 2014 includes the operations of Nutritional High from April 17, 2014 (date of incorporation) to June 13, 2014 and the operations of Sonoma for the nine month period ended April 30, 2014.

Nutritional High Ltd.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
June 13, 2014

PRO FORMA SHARE CAPITAL

Pro forma capital stock as at June 13, 2014 has been determined as follows:

	Resulting Issuer **Number**	Pro Forma **Amount**
Sonoma Common Shares Outstanding as at April 30, 2014	11,513,620	568,131
Nutritional High Common Shares Outstanding as at June 13, 2014	57,687,651	713,833
Shares to be issued	1,710,680	42,767
Elimination of Nutritional High Common Shares for legal purposes and the value of Sonoma share capital for accounting purposes	(59,398,331)	(568,131)
Issuance of Sonoma shares to Nutritional High shareholders	59,398,331	1,484,958
Broker units from concurrent financing of 4,000,000 units	320,000	8,000
Concurrent financing of 4,000,000 units	4,000,000	100,000
Fair value assigned to warrants	-	(10,000)
Cost of issue		
Broker units		(8,000)
Cash commissions paid	-	(8,000)
Pro Forma Balance at June 13, 2014	75,231,951	2,323,558

PRO FORMA WARRANTS

Pro forma warrants at June 13, 2014 are as follows:

Date of Expiry	Type	No. of Warrants	Exercise Price $
			0.05
36 months or 18 months from qualifying transaction	Nutritional High warrants	15,159,166	
Total		**15,159,166**	

SCHEDULE "D"

NUTRITIONAL HIGH INTERNATIONAL INC. AUDIT COMMITTEE CHARTER

The purpose of the Audit Committee of the Board (the "**Board**") of Nutritional High International Inc. (the "**Corporation**") is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, on the Company's processes to manage business and financial risk, and on compliance with significant applicable legal, ethical and regulatory requirements.

MEMBERSHIP

The membership of the Audit Committee shall consist of at least two directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. A majority of the members of the Audit Committee must be financially literate, that is having 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 Chair of the Audit Committee shall be appointed by the full Board.

COMMUNICATIONS AND REPORTING

The Audit Committee is expected to maintain free and open communication with the external auditors, the internal accounting staff, and the Company's management. This communication shall include private executive sessions, at least annually, with each of these parties. The Audit Committee chairperson shall report on Audit Committee activities to the full Board.

AUTHORITY

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other advisors and experts for this purpose. The Audit Committee shall be empowered to set and pay the compensation for any such advisors employed by the Audit Committee. The Audit Committee shall have the authority to communicate directly with the external auditors of the Company.

RESPONSIBILITIES

Oversight
The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor regarding financial reporting.

Recommend Auditor
The Audit Committee must recommend to the Board the external auditor to be nominated (subject to shareholder approval) 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 of the external auditor.

Pre-Approve Non-Audit Services
The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor.

Review Financial Disclosure
The Audit Committee must review the Company's financial statements, management's discussion and analysis (MD&A) and annual and interim financial press releases, if any, before the Company publicly discloses this information.

The Audit Committee must be satisfied 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, and must periodically assess the adequacy of those procedures.

Reliance on Management and Auditors

The Audit Committee relies on the expertise and knowledge of management, the internal auditors, and the external auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining that the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The external auditor is responsible for auditing the Company's financial statements. The Audit Committee should assure itself that the Company's internal policies, procedures and controls are adequate and are being implemented and followed.

Relationship with Auditors
The Audit Committee is also responsible for ensuring that the Company's external auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the external auditors and the Company and actively engaging in a dialogue with the external auditors with respect to any disclosure relationships or services that may impact the objectivity and independence of the external auditors and for taking appropriate action to ensure the independence of the external auditors within the meaning of applicable Canadian law.

Guidelines for Audit Committee
With respect to the exercise of its duties and responsibilities, the Audit Committee should, among other things:

1. report regularly to the Board on its activities, as appropriate;
2. exercise reasonable diligence in gathering and considering all material information;
3. remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
4. understand and weigh alternative courses of conduct that may be available;
5. focus on weighing the benefit versus harm to the Company and its shareholders when considering alternative recommendations or courses of action;
6. if the Audit Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Audit Committee in fulfilling its duties and responsibilities; and
7. provide management and the Company's independent auditors with appropriate opportunities to meet privately with the Audit Committee.

MEETINGS

The Audit Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Audit Committee shall meet at least annually with management and the Company's external auditors to discuss any matters that the Audit Committee or each of these groups or persons believe should be discussed privately. In addition, the Audit Committee should meet or confer with the external auditors and management to review the Company's interim consolidated financial statements and related filings prior to their filing with any regulatory body. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Audit Committee meetings. The Audit Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee shall maintain minutes of its meetings and records relating to those meetings and the Audit Committee's activities and provide copies of such minutes to the Board to be included in the minute books of the Company.

CERTIFICATE OF THE COMPANY

Dated: July 23, 2014

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of Ontario.

(signed) DAVID POSNER President, Chief Executive Officer and Director	(signed) MARCO GUIDI Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) ADAM K. SZWERAS Corporate Secretary and Director	(signed) STATIS RIZAS Executive Chairman and Director

PROMOTERS

FOUNDATION OPPORTUNITIES INC.
Per: (signed) Jeremy Goldman, President

(signed) STATIS RIZAS
Executive Chairman and Director

(signed) DAVID POSNER
President, Chief Executive Officer and Director

(signed) ADAM K. SZWERAS
Corporate Secretary and Director