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

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INDEPENDENT AUDITORS' REPORT

To the Shareholders 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.

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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.

Collins Barrow Toronto LLP

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.