ARRIS HOLDINGS INC.

Financial Statements

Year Ended September 30, 2013

(Expressed in Canadian Dollar)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Arris Holdings Inc.

We have audited the accompanying financial statements of Arris Holdings Inc. which comprise the statements of financial position as at September 30, 2013 and September 30, 2012, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arris Holdings Inc. as at September 30, 2013 and September 30, 2012, and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which describe certain conditions that give rise to significant doubt about the entity's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
December 19, 2013

ARRIS HOLDINGS INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	September 30, 2013	September 30, 2012
		$	$
Assets			
Current assets			
Cash		812	6,302
Sales tax receivable		-	10,071
Total assets		812	16,373
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,8	31,591	130,949
Shareholders' deficiency			
Share capital	4	1,874,000	1,724,000
Deficit		(1,904,779)	(1,838,576)
		(30,779)	(114,576)
Total liabilities and shareholders' deficiency		812	16,373

Nature of operations and going concern (Note 1)
Subsequent event (Note 13)

Approved and authorized for issuance by the Board of Directors:

"Sandy Janda" — Director

"Jack Bal" — Director

See accompanying notes to the financial statements

ARRIS HOLDINGS INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended September 30,	
	Note	**2013**	**2012**
		$	$
Expenses			
Consulting		5,000	35,000
Office and administration	8	6,555	3,257
Occupancy cost	8	30,000	27,881
Professional fees		11,506	10,023
Trust and filing fees		13,142	15,036
Loss before other items:		(66,203)	(91,197)
Impairment of exploration and evaluation assets	5	–	(10,907)
Loss provision for note receivable	6	–	(25,000)
Gain from disposition of investments	9	–	10,905
Net and comprehensive loss		(66,203)	(116,199)
Loss per share, basic and diluted		(0.00)	(0.01)
Weighted average number of outstanding shares		23,018,988	21,583,372

See accompanying notes to the financial statements

Arris Holdings Inc.
Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

		Share Capital			
	Note	Number	Amount	Deficit	Shareholders' deficiency
			$	$	$
Balance, September 30, 2011		21,583,372	1,724,000	(1,722,377)	1,623
Net loss		–	–	(116,199)	(116,199)
Balance, September 30, 2012		21,583,372	1,724,000	(1,838,576)	(114,576)
Units issued for cash	4	2,000,000	150,000	–	150,000
Net loss		–	–	(66,203)	(66,203)
Balance, September 30, 2013		23,583,372	1,874,000	(1,904,779)	(30,779)

See accompanying notes to the financial statements

ARRIS HOLDINGS INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended September 30, 2013	2012
Cash (used in) provided by:	$	$
Operating activities		
Loss for the year	(66,203)	(116,199)
Items not involving cash		
Gain from disposition of investments	–	(10,905)
Impairment of exploration and evaluation assets	–	10,907
Loss on provision for note receivable	–	25,000
Changes in non-cash operating working capital		
Sales tax receivable	10,071	(6,624)
Accounts payable and accrued liabilities	(99,358)	86,532
Cash used in operating activities	(155,490)	(11,289)
Financing activities		
Units issued for cash	150,000	–
Cash provided by investing activities	150,000	–
Investing activities		
Proceeds received from collection of notes receivable	–	5,000
Proceeds received from disposition of investment	–	10,905
Cash provided by investing activities	–	15,905
Increase (decrease) in cash	(5,490)	4,616
Cash, beginning	6,302	1,686
Cash, ending	812	6,302

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Arris Holdings Inc. (the "Company" or "AHI") was incorporated on October 30, 2009 in British Columbia, Canada. The company is an exploration stage company and its principal activity is the exploration and development of mineral properties. The Company's office is at Suite 200 – 8338 120th Street, Surrey, BC, V3W 3N4. The Company's common shares are currently traded on Canadian National Stock Exchange (the "CNSX") under the symbol "AAF".

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with debt and or private placements of common shares (Note 13). Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorized for issue on December 19, 2013 by the directors of the Company.

Basis of preparation

These financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at their fair value. These financial statements are presented are in Canadian dollars, unless otherwise noted.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss ("FVTPL") **-** Financial assets and liabilities are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. They are subsequently measured at fair value with changes in fair value recognized in profit or loss. The Company designates its investments as fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company does not have loan and receivables as at year ended September 30, 2013.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities and that the Company intends to hold to maturity. These assets are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not hold any held-to-maturity financial assets.

Available-for-sale – These consist of non-derivative financial assets that are designated as available-for sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets. The Company designates its marketable securities as available-for-sale.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of the Company's exploration and evaluation asset and the recoverability and measurement of deferred tax assets,.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at September 30, 2013 and 2012, the Company did not have any restoration and environment obligations.

Impairment of assets

The carrying amount of the Company's assets (which include the notes receivable and an exploration and evaluation asset) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Warrants

The Company allocates the fair value to warrants issued in private placement offerings using the residual method, whereby the value in excess of the market price of the shares is allocated to the warrant.

Income taxes

<u>Current income tax:</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>Deferred income tax:</u>

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

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Accounting standards issued by not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2013 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these consolidated financial statements, is not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);
c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
d) IFRS 12 Disclosure of Interest in Other Entities;
e) IFRS 13 Fair Value Measurement; and
f) IAS 1 Presentation of Financial Statements (Amendments regarding Presentation of Items of Other Comprehensive Income).

(Expressed in Canadian dollars)

4. CAPITAL STOCK

Authorized
Unlimited number of common shares and Class A and Class B preferred shares without par value.

Issued share capital
At September 30, 2013, there were 23,583,372 issued and fully paid common shares (2012 – 21,583,372).

Private placement
The Company completed a private placement on January 10, 2013 of 2,000,000 units at $0.075 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.10 per share for a period of two years. No value was attributed to the warrants in the private placement.

Warrants
As at September 30, 2013, the Company had 2,000,000 warrants outstanding which are exercisable at $0.10 and expires January 10, 2015.

Stock options
As at September 30, 2013, the Company had no stock options outstanding.

Basic and diluted loss per share
Diluted loss per share did not include the effect of 2,000,000 warrants as the effect would be anti-dilutive.

5. EXPLORATION AND EVALUATION ASSET

On March 22, 2011 the Company acquired five mineral claims (the "Maggie Gold Property") located near Squamish, British Columbia for cash consideration of $7,500.

As at September 30, 2012, the Company fully impaired the Maggie Gold Property.

The Maggie Gold Property	**Acquisition Costs**	**Accumulated Deferred Exploration Costs**	**Total**
	$	$	$
Balance, September 30, 2011	7,500	3,407	10,907
Impairment	(7,500)	(3,407)	(10,907)
Balance, September 30, 2012 and 2013	-	-	-

(Expressed in Canadian dollars)

6. NOTES RECEIVABLE

During the year ended September 30, 2012, the Company provided for an allowance a $25,000 on a note receivable from a third party and recorded a loss provision of $25,000 due to uncertainty over its collectability.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2013	September 30, 2012
	$	$
Trade payables	23,491	14,692
Accrued liabilities	8,100	116,257
	31,591	130,949

8. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2013, the Company incurred rent expense of $30,000 (2012 - $27,881) and consulting fees of $Nil (2012 - $35,000) to companies controlled by a relative of the Company's Chief Executive Officer ("CEO"), and office and administration fees of $5,262 (2012 - $Nil) to a company of which the spouse of the Company's CEO is an officer.

As at September 30, 2013, the Company's accounts payable and accrued liabilities balances included $17,637 owing to companies controlled by a relative of the Company's CEO (2012 -$105,280). The amounts are unsecured, non-interest bearing and due on demand.

9. GAIN ON DISPOSITION OF INVESTMENTS

During the year ended September 30, 2012, the Company sold 100,000 shares of its holdings in Global Met Coal Corp and recognized a gain on the disposal of $10,905.

10. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation asset and to sustain future development of the business. The capital structure of the Company consists of working and share capital.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

(Expressed in Canadian dollars)

11. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2013	**September 30, 2012**
	$	$
Net loss before income taxes	(66,203)	(116,199)
Statutory tax rate	25%	26%
Expected income tax recovery at the statutory tax rate	(16,551)	(30,212)
Non-deductible items and other	-	3,665
Effect of changes in tax rates	-	(411)
Changes in valuation allowance	16,551	26,958
Income tax recovery	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	September 30, 2013	**September 30, 2012**
	$	$
Non-capital loss carry-forwards	182,101	165,550
Capital loss carry-forwards	42,764	42,764
Marketable securities	-	-
Exploration and evaluation asset	2,727	2,727
Valuation allowance	(227,591)	(211,040)
Net deferred income tax assets	-	-

The Company's has $728,403 in non-capital tax losses which expire as follows:

Expires in	
	$
2030	84,548
2031	475,000
2032	102,652
2033	66,203

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash and note receivable. As all of the Company's cash is held with a Canadian chartered bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's source of funding has been the issuance of equity securities and debt for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding, therefore liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2013	**September 30, 2012**
	$	$
Cash	812	6,302

(Expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2013	September 30, 2012
	$	$
Non-derivative financial liabilities:		
Trade payables	23,491	14,692

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
  Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2013 and 2012:

	As at September 30, 2012		
	Level 1	Level 2	Level 3
	$	$	$
Cash	6,302	-	-

	As at September 30, 2013		
	Level 1	Level 2	Level 3
	$	$	$
Cash	812	-	-

13. SUBSEQUENT EVENT

Subsequent to the year ended September 30, 2013, the Company issued two promissory notes to an unrelated party for the aggregate amount of $40,000. The promissory notes bear interest at 5% per annum, are unsecured, and will mature on December 31, 2014. As at the date of these financial statements, $20,000 of the funds has been advanced to the Company.

Subsequent to the year ended September 30, 2013, the Company incorporated a subsidiary, Global Hemp Group, Inc. in the USA which will focus on opportunities in the hemp industry in the USA.