Cannabix Technologies Inc.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON February 17, 2015

Dated: January 14, 2015

Neither the CSE nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

CANNABIX TECHNOLOGIES INC.
NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING
OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special general meeting (the "**Meeting**") of shareholders of Cannabix Technologies Inc. (the "**Company**") will be held at 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, on February 17, 2015, at the hour of 11:00 (Vancouver time) for the following purposes:

1. To receive the financial statements of the Company for the fiscal year ended April 30, 2014, and the report of the auditors thereon.

2. To set the number of directors for the ensuing year at 5.

3. To elect directors.

4. To appoint auditors and to authorize the directors to fix the remuneration of the auditors.

5. To consider and, if thought fit, pass a resolution approving the Company's incentive stock option plan, as more particularly described in the accompanying information circular (the "**Circular**").

6. Pursuant to an order (the "**Interim Order**") dated January 13, 2015, of the Supreme Court of British Columbia to consider and, if thought fit, pass a resolution (the "**Arrangement Resolution**") to approve an arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) involving the Company and Torino Ventures Inc. (a wholly-owned subsidiary of the Company), the full text of which resolution is set out in Schedule A to, and all as more particularly described in, the Circular.

7. To consider other matters, including without limitation such amendments or variations to any of the foregoing resolutions, as may properly come before the Meeting or any adjournment thereof.

The texts of the Arrangement Resolution and the agreement in respect of the Arrangement are set forth in Schedule A and Schedule B, respectively, to the Circular.

Only holders of record of common shares of the Company at the close of business on January 5, 2015, will be entitled to vote in respect of the matters to be voted on at the Meeting or any adjournment thereof.

Your vote is important regardless of the number of common shares of the Company you own. Shareholders who are unable to attend the Meeting in person are asked to sign, date and return the enclosed form of proxy relating to the common shares of the Company held by them in the envelope provided for that purpose.

To be effective, the proxy must be duly completed and signed and then deposited with either the Company's registrar and transfer agent, TMX Equity Transfer Services located at 650 West Georgia Street, Suite 2700, Vancouver, B.C. V6B 4N9 before 11:00 a.m. (Vancouver time) on February 13, 2015, or if the Meeting is adjourned or postponed, before 11:00 a.m. (Vancouver time) on the day that is at least two business days preceding the date of the reconvening of any adjourned or postponed meeting.

Pursuant to the Interim Order, holders of common shares of the Company have been granted the right to dissent against the Arrangement Resolution and to be paid the fair value of their common shares of the Company in respect of the Arrangement Resolution in accordance with the terms of the Interim Order and section 238 of the *Business Corporations Act* (British Columbia). This right is described in the Circular under the heading "*Rights of Dissent*". Registered shareholders have the right to dissent with respect to the Arrangement Resolution and if the Arrangement Resolution becomes effective, to be paid the fair value of their common shares in accordance with the provisions of sections 237 to 247 of the *Business Corporations Act* (British Columbia) (the "BCBCA") as modified by the Interim Order, Final Order and the Plan of Arrangement. These dissent rights are described in the accompanying Circular and a copy of the dissent rights are attached as Schedule E to the Circular. Failure to strictly comply with the requirements set forth in sections 237 to 247 of the BCBCA as may be modified by the Interim Order, Final Order and the Plan of Arrangement may result in the loss or unavailability of the right of dissent. A dissenting shareholder must send a written objection to the Arrangement Resolution, which written objection must be received by the Company c/o 7934 Government Rd, Burnaby, BC, V5A 2E2 Attention: Rav Mlait on or prior to 11:00 a.m. (Vancouver time) on February 13, 2015.

Persons who are beneficial owners of common shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered shareholders are entitled to dissent. Accordingly, a beneficial owner of common shares seeking to exercise the right to dissent must make arrangements for the common shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by or, alternatively, make arrangements for the registered holder of such common shares to dissent on behalf of the holder. The right to dissent is not available to holders of options or warrants of the Company.

DATED at Vancouver, British Columbia, this 14th day of January 2015.

Cannabix Technologies Inc.

By Order of the Board

"Rav Mlait"

Rav Mlait,
Chief Executive Officer and Director

INFORMATION CIRCULAR

as at January 14, 2015

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SUMMARY OF INFORMATION CIRCULAR

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, the Arrangement Agreement and Plan of Arrangement attached as Schedule B to this Circular, the pro forma financial statements attached as Schedule F to this Circular and the audited financial statements of Torino (a wholly-owned subsidiary of the Company) attached as Schedule G to this Circular. Capitalized terms used in this summary and elsewhere in this Circular and not otherwise defined are defined in the "Glossary of Terms" which follows this summary.

References in this Circular to a fiscal or financial year are to the year ended April 30, 2014. References in this Circular are to Canadian dollars unless otherwise indicated.

The Meeting

The Meeting will be held at 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, on February 17, 2015, commencing at the hour of 11:00 a.m. (Vancouver time).

At the Meeting, Shareholders will be asked to set the number of directors (see "*Annual Meeting Business – Number of Directors*"), elect directors (see "*Annual Meeting Business - Election of Directors*"), appoint its auditor (see "*Annual Meeting Business - Appointment of Auditor*") and approve the Option Plan (see "*Annual Meeting Business – Approval of Incentive Stock Option Plan*"). Shareholders will also be asked to consider, and if deemed advisable, approve the Arrangement Resolution authorizing the Arrangement, and to consider such other matters as may properly come before the Meeting.

The Arrangement

The purpose of the Arrangement is to restructure the Company and separate its two distinct businesses by transferring or "spinning-out" the Company's Hazeur Property and mineral exploration business into Torino, a new British Columbia corporation incorporated by the Company to facilitate the Arrangement, which will become a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba on the effective date of the Arrangement. By separating the mineral exploration business into a new company, the Company will be able to focus on its primary existing technology business, namely the development and commercialization of the Cannabix Marijuana Breathalyzer as further described herein. The Company believes this will be beneficial to both the Company and the shareholders of the Company for a variety of reasons including the belief that the proposed Arrangement will: (i) allow the respective management teams and boards to concentrate their time and efforts on their respective and distinct businesses, (ii) allow the capital markets, investors and shareholders to evaluate the respective businesses within their respective peer groups, (iii) better attract financing and investment, (iv) allow management to utilize available funds in a more efficient and strategic manner without having to advance two very distinct business segments; and (v) attract key management and directors with specialized expertise in the respective businesses.

By resolution dated January 5, 2015, the Board of Directors approved the Arrangement and authorized the making of an application to the Court for the calling of the Meeting. Provided all conditions to implement the Arrangement are satisfied, the appropriate votes of Shareholders' authorizing the implementation of the Arrangement are obtained and the Final Court Order is obtained, the following steps will occur as an arrangement as contemplated in 288 of the BCA, one immediately after the other:

(a) The Company will alter its share capital by creating an unlimited number of New Common Shares and Class 1 Reorganization Shares, and will attach rights and restrictions to the New Common Shares and Class 1 Reorganization Shares.

(b) Each issued and outstanding Common Share (other than Common Shares held by Dissenting Shareholders) will be exchanged by Shareholders for one New Common Share and one Class 1 Reorganization Share and all of the issued Common Shares will be cancelled.

(c) All of the Class 1 Reorganization Shares will be transferred by Shareholders to Torino in exchange for Torino Common Shares in accordance with the Reorganization Ratio, which will be calculated on the basis of 8,000,000 Torino Common Shares to be issued divided by the number of Class 1 Reorganization Shares issued. Torino will not issue any fractional Torino Common Shares, and any fractional Torino Common Shares resulting from the exchange will be cancelled.

(d) The Company will redeem all of the Class 1 Reorganization Shares from Torino and will satisfy the redemption amount of such shares by the transfer to Torino of the Hazeur Property and $10,000 of working capital.

As a result of the foregoing, on the Effective Date two companies will exist, the Company and Torino. The Company will continue to hold its existing technology business related to the Cannabix Marijuana Breathalyzer and remaining working capital. Torino will hold the Hazeur Property and $10,000 of working capital and Shareholders (other than Dissenting Shareholders) will own New Common Shares and all of the issued and outstanding Torino Common Shares.

Approval by and Recommendation of the Board of Directors

By resolution dated January 5, 2015, the Board of Directors unanimously approved the Arrangement subject to certain conditions, and authorized submission of the Arrangement to the Shareholders for consideration and approval and to the Court for approval.

The decision of the Board of Directors to approve the Arrangement for submission to the Shareholders and to the Court was reached after consideration of a number of factors, including the following:

1. Under the terms of the Arrangement, all participating Shareholders will be treated equally.

2. The Arrangement will benefit Shareholders generally through providing them with ownership positions in:

   (i) Torino, a new company that is intended to be a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba, which will hold the Hazeur Property and $10,000 in cash to be used for working capital purposes; and

   (ii) A continuing interest in the Company, which is retaining its technology business focused on the development and commercialization of the Cannabix Marijuana Breathalyzer and remaining working capital.

3. The belief that the proposed Arrangement will: (i) allow the respective management teams and boards to concentrate their time and efforts on their respective and distinct businesses, (ii)

allow the capital markets, investors and shareholders to evaluate the respective businesses within their respective peer groups, (iii) better attract financing and investment, (iv) allow management to utilize available funds in a more efficient and strategic manner without having to advance two very distinct business segments; and (v) attract key management and directors with specialized expertise in the respective businesses.

4. The Arrangement must be approved by two-thirds of the votes cast at the Meeting by Shareholders and by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to Shareholders (see "*The Arrangement – Plan of Arrangement and Conditions to the Arrangement Becoming Effective*").

5. The availability of rights of dissent to registered Shareholders with respect to the Arrangement.

See "*The Arrangement – Recommendations of Board of Directors*" for other factors considered by the Board of Directors in reaching its decision.

The Board of Directors has unanimously concluded that the Arrangement is in the best interests of the Company and fair to all Shareholders and recommends that all Shareholders vote in favour of the Arrangement Resolution, thereby approving the implementation of the Arrangement. Implementation of the Arrangement is subject to fulfillment of certain conditions. See "*The Arrangement – Plan of Arrangement and Conditions to the Arrangement Becoming Effective*".

Required Approvals

Shareholder Approval

In order for the Arrangement to be implemented, the Arrangement Resolution must be passed, with or without variation, by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders present or voting by proxy at the Meeting.

Court Approval

The Arrangement requires Court approval under the BCA. Prior to the mailing of this Circular, the Interim Order was obtained from the Court providing for the calling and holding of the Meeting and certain other procedural matters. Following approval of the Arrangement by the Shareholders at the Meeting, the Company will apply to the Court for the Final Order. The Petition and Notice of Hearing for the Final Order are respectively attached as Schedule C and Schedule D to this Circular. It is anticipated that the Company will make application to the Court for the Final Order at 11:00 a.m. (Vancouver time) on or about February 26, 2015, or as soon thereafter as counsel may be heard. Shareholders and interested parties have the right to appear at such hearing and present evidence. See "*The Arrangement – Court Approval of Arrangement*."

Exchange Approval

The Exchange may require approval or notification of the Arrangement and the listing of the New Common Shares. In this regard, the Company intends to apply to the Exchange, or notify the Exchange, regarding the listing of the New Common Shares in place of the existing Common Shares upon implementation of the Arrangement, subject to the fulfillment of the usual requirements of the Exchange. The approval or consent of the Exchange is a condition of the Arrangement proceeding. **As of**

the date hereof, the Exchange has not provided its approval or consent of the Arrangement or the listing of the New Common Shares.

Dissenting Shareholders' Rights on Arrangement

A Shareholder has the right to dissent in respect of the Arrangement and to be paid the fair value for its Common Shares by the Company, however dissent rights procedures must be strictly followed. See the description under "Rights of Dissent", and the relevant sections of the BCA which have been reproduced in Schedule E to this Circular.

Brief Summary of Canadian Federal Income Tax Considerations About the Arrangement for Shareholders

The following is a brief, general summary of the principal Canadian federal income tax considerations under the ITA generally applicable to Shareholders who, for the purposes of the ITA and at all relevant times, are resident in Canada, and who: (a) are not exempt from Canadian federal income tax; (b) hold their Common Shares as capital property; (c) are not affiliated with the Company or Torino; (d) deal at arm's length with the Company and Torino; and (e) immediately after the completion of the Arrangement will not, either alone or together with persons with whom they do not deal at arm's length, and persons with whom they do not deal at arm's length will not control Torino or beneficially own shares of Torino which have a fair market value in excess of 50% of the fair market value of all of the outstanding shares of Torino. It is not intended to be, and it should not be construed to be, advice to any particular person. Holders should consult with their own tax advisors with respect to their particular circumstances.

Generally, as a result of the Arrangement a holder of Common Shares:

(a) will not realize a capital gain or capital loss as a result of the exchange of Common Shares for New Common Shares and Class 1 Reorganization Shares; and

(b) will not realize a capital gain or capital loss on the transfer of Class 1 Reorganization Shares to Torino in exchange for Torino Common Shares, unless the Shareholder chooses to recognize a capital gain or loss in the Shareholder's income tax return for the taxation year in which the Arrangement is implemented.

The Shareholder's adjusted cost base of its Common Shares must be allocated between the New Common Shares and Torino Common Shares. The allocation must be made on the basis of their relative fair market values.

This summary is qualified entirely by the discussion of Canadian federal income tax considerations below, see "*Canadian Federal Income Tax Considerations*". Among other details, it summarizes such Canadian income tax considerations for holders of Common Shares who are non-residents of Canada and for holders of Common Shares who exercise dissent rights in relation to the Arrangement.

Investment Considerations

Investments in development stage companies such as the Company and Torino are highly speculative and subject to numerous and substantial risks which should be considered in relation to the Arrangement. There is no assurance that a public market will continue in the New Common Shares or that there will be a public market for the Torino Common Shares after the Effective Date. See

"*Information Concerning the Company – Risk Factors*" and "*Information Concerning Torino – Risk Factors*".

Applications to the Exchange

The Company intends to apply to the Exchange or to notify the Exchange to approve or consent to the listing of the New Common Shares in place of the existing Common Shares upon implementation of the Arrangement, subject to the fulfillment of any requirements of the Exchange. The approval or consent of the Exchange is a condition of the Arrangement proceeding. **As of the date hereof, the Exchange has not provided its approval or consent of the Arrangement or the listing of the New Common Shares**.

Failure to Complete Arrangement

IN THE EVENT THE ARRANGEMENT RESOLUTION IS NOT PASSED BY SHAREHOLDERS, THE COURT DOES NOT APPROVE THE ARRANGEMENT OR THE ARRANGEMENT DOES NOT PROCEED FOR SOME OTHER REASON, THE WORKING CAPITAL WILL REMAIN WITH THE COMPANY AND THE COMPANY WILL CARRY ON BUSINESS AS IT IS CURRENTLY CARRIED ON. IN SUCH CIRCUMSTANCES, TORINO WILL LIKELY REMAIN AS A DORMANT SUBSIDIARY OF THE COMPANY.

GLOSSARY OF TERMS

For the assistance of Shareholders, the following is a glossary of terms used frequently throughout this Circular and the summary hereof.

Arrangement	The proposed arrangement under the BCA, among the Company and the Shareholders, and Torino and its shareholders as described under the heading "*The Arrangement – Details of the Arrangement*".
Arrangement Agreement	The arrangement agreement made as of January 5, 2015, between the Company and Torino, a copy of which is set forth in Schedule B attached to this Circular, and any amendments made thereto.
Arrangement Resolution	The resolution, the full text of which is set forth in Schedule A attached to this Circular, to be considered, and if deemed advisable, passed, with or without variation, by the Shareholders at the Meeting.
BCA	The *Business Corporations Act* (British Columbia), S.B.C. 1996, c.57, as amended from time to time.
Beneficial Shareholder	A shareholder holding its Common Shares through an Intermediary, or otherwise not in the shareholder's own name.
Board of Directors or Board	The board of directors of the Company.
Circular	This Information Circular.
Class 1 Reorganization Shares	The Class 1 shares without par value in the capital of the Company, which will be issued as part of the Arrangement as set forth in the Arrangement Agreement.
Common Shares	The common shares without par value in the capital of the Company issued and outstanding immediately prior to the implementation of the Arrangement on the Effective Date.
Company	Cannabix Technologies Inc.
Court	The Supreme Court of British Columbia.
CRA	Canada Revenue Agency.
Dissent Notice	A validly delivered written objection to the Arrangement Resolution, as described under "*Rights of Dissent*."
Dissenting Shareholder	A Shareholder who delivers a Dissent Notice and validly exercises the right of dissent provided with respect to the Arrangement, as described under "*Rights of Dissent*."
Effective Date	The date the Plan of Arrangement becomes effective.
Exchange	Canadian Securities Exchange.
Final Order	The final order of the Court approving the Arrangement.

Financial Statements	The audited financial statements of the Company for the year ended April 30, 2014, together with the auditors' report thereon.
Hazeur Property	Means the 6 mineral claims in Quebec, Canada, known as the Hazeur Gold Property or Monster Lake Property and all assets related thereto, which will be transferred by the Company to Torino as partial consideration for the redemption of the Class 1 Reorganization Shares in connection with the Arrangement.
Interim Order	The interim order of the Court dated January 13, 2015, providing, among other things, for the calling and holding of the Meeting, a copy of which is attached as Schedule C to this Circular.
Intermediary	A broker, intermediary, trustee or other person holding Common Shares on behalf of a Beneficial Shareholder.
ITA	The *Income Tax Act* (Canada), as amended, and the regulations thereunder.
Meeting	The annual and special general meeting of Shareholders to be held on February 17, 2015.
New Common Shares	The new common shares without par value in the capital of the Company to be issued as part of the Arrangement.
Option Plan	The Company's Incentive Stock Option Plan, as described under "*Annual Meeting Business - Approval of Incentive Stock Option Plan*."
Plan of Arrangement	The plan of arrangement set out as Exhibit 1 to the Arrangement Agreement which is attached as Schedule B to this Circular, and any amendments or variation thereto.
Record Date	January 5, 2015.
Registrar	The Registrar of Companies appointed under section 400 of the BCA.
SEC	The United States Securities and Exchange Commission.
Shareholders	Holders of one or more Common Shares.
Technical Report	The Technical Report with respect to the Hazeur Property titled "NI 43-101 Technical Report On the Monster Lake South property" dated January 5, 2015 prepared for the Company by Jeannot Theberge P.Geo, Terrax Management Inc., a copy of which has been filed on SEDAR and available for review at www.sedar.com.
Torino Ventures Inc.	Torino Ventures Inc. is a private British Columbia corporation and wholly-owned subsidiary of the Company which will acquire the Hazeur Property and $10,000 in working capital from the Company in connection with the Arrangement.
Torino Common Shares	The common shares without par value in the capital of Torino

Torino Reorganization Ratio	The percentage resulting from the division of 8,000,000, being the total number of Torino Common Shares to be issued, as numerator, by the number of Class 1 Reorganization Shares issued on the Effective Date, as denominator.
Transfer Agent	TMX Equity Transfer Services Inc.
1933 Act	The United States *Securities Act of 1933*.

GENERAL INFORMATION FOR MEETING

Solicitation of Proxies

This Information Circular is provided in connection with the solicitation of proxies by the management of Cannabix Technologies Inc. (the "**Company**") for use at the annual and special general meeting of the shareholders of the Company to be held at 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1 at 11:00 a.m. on February 17, 2015 (the "**Meeting**"), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

APPOINTMENT AND REVOCATION OF PROXY

Registered Shareholders

Registered shareholders may vote their common shares by attending the Meeting in person or by completing the enclosed proxy. Registered shareholders should deliver their completed proxies to TMX Equity Transfer Services Inc., 650 West Georgia Street, Suite 2700, Vancouver, B.C. V6B 4N9 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company**.

A registered shareholder may revoke a proxy by:

(a) signing a proxy with a later date and delivering it at the place and within the time noted above;

(b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the registered office of the Company, 7934 Government Road, Burnaby, British Columbia V5A 2E2, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof,

(c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or

(d) in any other manner provided by law.

<u>Beneficial Shareholders</u>

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "**Intermediary**") or otherwise not in their own name (such shareholders herein referred to as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are not registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting**.

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "**VIF**"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "**Meeting Materials**") directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or

instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered**. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company's shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

Voting of Shares and Exercise of Discretion of Proxies

If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares represented by proxy will be voted or withheld from voting by the proxyholder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the Notice of Meeting to which this Circular is attached. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a Shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

Voting Shares and Principal Holders Thereof

Only those Shareholders of record on the Record Date will be entitled to vote at the Meeting or any adjournment thereof, in person or by proxy. On the Record Date, 43,822,278 Common Shares were issued and outstanding, each Common Share carrying the right to one vote.

The Record Date should be distinguished from the Effective Date, which is expected to be on or about March 1, 2015. Shareholders must be Shareholders on the Effective Date, and not the Record Date, to participate in the Arrangement.

To the best knowledge of the directors and senior officers of the Company, the only Shareholders who beneficially own, directly or indirectly, or exercise control or discretion over, Common Share carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as of the Record Date are the following:

- CDS & Co. held 32,406,960 Common Shares (or 74.0%). CDS & Co., the registration name for The Canadian Depository for Securities, acts as nominee for many Canadian brokerage firms.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Interpretation

“Named executive officer” (“**NEO**”) means:

(a) a Chief Executive Officer (“**CEO**”);

(b) a Chief Financial Officer (“**CFO**”);

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Ravinder Mlait, CEO, Bryan Loree, CFO.

Compensation Discussion and Analysis

Compensation Discussion and Analysis and Compensation Governance

The Company’s compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company’s business objectives of improving overall

corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decision relating to them, as applicable, in accordance with the applicable corporate legislation.

In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Given the Company's current stage of development, the implications of the risks associated with the Company's compensation policies and practices have not been considered by the Board. Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Share-based and Option-based Awards

The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company established a formal plan under which stock options may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel which is critical to the Company's success. The Board is responsible for administering the Company's stock option plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company including the awards of any stock options under a stock option plan. Stock options are typically part of the overall compensation package for executive officers. See "Particulars of

Matters to be Acted Upon – Approval of Stock Option Plan" for further details regarding the Company's incentive stock option plan.

All grants of stock options to the NEOs are reviewed and approved by the Board. In evaluating option grants to an NEO, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company for services in all capacities to the Company during the three most recently completed financial years:

					Non-equity Incentive Plan Compensation[3] ($)				
Name and Principal Position	**Year**	**Salary ($)**	**Share-based Awards[1] ($)**	**Option-based Awards[2] ($)**	**Annual Incentive Plans**	**Long-term Incentive Plans**	**Pension Value ($)**	**All Other Compens-ation ($)**	**Total Compen s-ation ($)**
Ravinder Mlait President, Chief Executive Officer and Director[4]	2014 2013 2012	Nil Nil $7,000	Nil Nil Nil	$7,800 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$7,800 Nil $7,000
Bryan Loree Chief Financial Officer, Secretary and Director[5]	2014 2013 2012	Nil Nil $7,000	Nil Nil Nil	$7,800 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$7,800 Nil $7,000

1. "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
2. "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
3. "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
4. Ravinder Mlait was appointed as a director of the Company on April 5, 2011 and as President and Chief Executive Officer on the same date. On July 21, 2014 and subsequent to the year ended April 30, 2014, Ravinder Mlait resigned as President and Kulwant Malhi was appointed as President of the Company.
5. Bryan Loree was appointed a director of the Company on April 5, 2011 and as Chief Financial Officer on the same date.

Narrative Discussion

The Company granted an aggregate of 410,000 stock options to its NEOs during the financial year ended April 30, 2014. These options consist of 205,000 stock options granted to Bryan Loree, a director and the Chief Financial Officer of the Company, each stock option of which is exercisable at a price of $0.10 per share until expiry on April 3, 2019 and 205,000 stock options granted to Ravinder Mlait, a director and the Chief Executive Officer of the Company, each stock option of which is exercisable at a price of $0.10 per share until expiry on April 3, 2019.

Other than as set forth above, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

(a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or

(c) any arrangement for the compensation of NEOs for services as consultants or expert.

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

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan.

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year ended April 30, 2014 to the NEOs of the Company:

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Ravinder Mlait[(1)] CEO	205,000	0.10	April 3, 2019	Nil[(2)]	Nil	Nil
Bryan Loree[(3)] CFO	205,000	0.10	April 3, 2019	Nil[(2)]	Nil	Nil

(1) Ravinder Mlait was appointed as a director of the Company on April 5, 2011 and as President and Chief Executive Officer of the Company on the same date. On July 21, 2014, and subsequent to the year ended April 30, 2014, Ravinder Mlait resigned as President and Kulwant Malhi was appointed as President of the Company.

(2) The options had Nil value as at April 30, 2014 as the exercise price of $0.10 exceeded the market price of $0.05 on such date.

(3) Bryan Loree was appointed as a director of the Company on April 5, 2011 and as Chief Financial Officer of the Company on the same date.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year ended April 30, 2014:

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 ($)
Ravinder Mlait[1] CEO	205,000	Nil[2]	Nil
Bryan Loree[3] CFO	205,000	Nil[2]	Nil

(1) Ravinder Mlait was appointed as a director of the Company on April 5, 2011 and as President and Chief Executive Officer of the Company on the same date. On July 21, 2014 and subsequent to the year ended April 30, 2014, Ravinder Mlait resigned as President and Kulwant Malhi was appointed as President of the Company.

(2) The options had Nil value as at April 30, 2014 as the exercise price of $0.10 exceeded the market price of $0.05 on such date.

(3) Bryan Loree was appointed as a director of the Company on April 5, 2011 and as Chief Financial Officer of the Company on the same date.

Refer to the sections titled "Compensation Discussion and Analysis" and "Share-Based and Option-Based Awards", above, and "Particulars of Other Matters To Be Acted Upon - Approval of Stock Option Plan", below, for a description of all plan based awards and their significant terms. A copy of the Company's current incentive stock option plan is available under the Company's profile on SEDAR at www.sedar.com and a copy of the proposed incentive stock option plan will be available to Shareholders for review at the head office of the Company during normal business hours up to the date of the Meeting and at the Meeting. There was no re-pricing of stock options under the stock option plan or otherwise during the Company's most recently completed financial year ended April 30, 2014.

Pension Plan Benefits – Defined Benefits Plan

The Company does not have a Defined Benefits Pension Plan nor a Defined Contribution Pension Plan.

Termination and Change of Control Benefits

On February 20, 2013, the Company entered into employment agreements with two NEOs (Bryan Loree and Ravinder Mlait). Subsequently on June 15, 2014, the Company entered into consulting agreements with Bryan Loree and Ravinder Mlait which superseded the prior employment agreements. The consulting agreements provide that in the event that the CEO's or CFO's position changes for any reason, or if there is a change of control, the Company will pay the CEO and CFO a minimum of eighteen months' salary if any such change happens. In event of termination, the Company will pay the consultant four month's salary for each year that the consultant has been a consultant to the Company, with a minimum of twelve months' salary payable for any termination before the third anniversary of the commencement of the agreements. With the interested directors abstaining, the Board approved the consulting agreements. On July 21, 2014, the Company entered into a monthly consulting agreement with Kulwant Malhi at $6,000 per month.

Director Compensation

Other than as set forth below, the Company did not provide any compensation to its directors, other than the directors that are NEOs, during the Company's most recently completed financial year ended April 30, 2014. The board of directors of the Company as at the end of the prior fiscal year consisted of Thomas Clarke, Alex Kanayev, and Jayahari Balasubramaniam. Subsequent to the year ended April 30,

2014, Kulwant Malhi was appointed as a director on July 3, 2014 and Alex Kanayev and Jayahari Balasubramaniam resigned as directors on December 31, 2014.

Narrative Discussion

The Company does not have any arrangements, standard or otherwise, pursuant to which non-NEO directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to continue to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

Refer to the sections titled "Compensation Discussion and Analysis" and "Share-Based and Option-Based Awards", above, and "Particulars of Other Matters To Be Acted Upon - Approval of Stock Option Plan", below, for a description of all plan based awards and their significant terms. A copy of the Company's current incentive stock option plan is available under the Company's profile on SEDAR at www.sedar.com and a copy of the proposed incentive stock option plan will be available to Shareholders for review at the head office of the Company during normal business hours up to the date of the Meeting and at the Meeting. There was no re-pricing of stock options under the stock option plan or otherwise during the Company's most recently completed financial year ended April 30, 2014.

Director Compensation Table

The following table sets forth the details of all compensation provided to the Company's directors, other than the NEOs, during the Company's most recently completed financial year (April 30, 2014).

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Jayahari Balasubramaniam [(1)]	Nil	Nil	$7,406	Nil	Nil	Nil	$7,406
Alex Kanayev[(2)]	Nil	Nil	$7,406	Nil	Nil	Nil	$7,406
Thomas Clarke[(3)]	Nil	Nil	$3,857	Nil	Nil	Nil	$3,857

(1) Jayahari Balasubramaniam was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Balasubramaniam resigned as director.

(2) Alex Kanayev was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Kanayev resigned as director.

(3) Thomas Clarke has been a director of the Company since March 4, 2013.

Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation

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

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company. Other than NEOs, whose compensation is fully reflected in the summary compensation table for the NEO's:

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Jayahari Balasubramaniam[2]	192,000	0.10	April 3, 2019	Nil	N/A	N/A
Alex Kanayev[3]	192,000	0.10	April 3, 2019	Nil	N/A	N/A
Thomas Clarke	50,000	0.10	April 3, 2019	Nil	N/A	N/A

(1) The options had Nil value as at April 30, 2014 as the exercise price of $0.10 exceeded the market price of $0.05 on such date.

(2) Jayahari Balasubramaniam was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Balasubramaniam resigned as director.

(3) Alex Kanayev was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Kanayev resigned as director.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year ended April 30, 2014. Other than NEOs, whose compensation is fully reflected in the summary compensation table for the NEO's:

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 ($)
Jayahari Balasubramaniam[2]	$7,406	Nil	Nil
Alex Kanayev[3]	$7,406	Nil	Nil
Thomas Clarke	$3,857	Nil	Nil

(1) Jayahari Balasubramaniam was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Balasubramaniam resigned as director.

(2) Alex Kanayev was appointed as a director of the Company on November 7, 2011. On December 31, 2014, and subsequent to the year ended April 30, 2014, Mr. Kanayev resigned as director.

Narrative Discussion

For a summary of the material provisions of the Company's stock option plan, pursuant to which all option-based awards are granted to the Company's directors, please see below under the heading

"Particulars of Matters To Be Acted Upon – Approval of 2014 Stock Option Plan". The Company granted 2,780,000 stock options on October 22, 2014.

Long Term Incentive Plans

The Company does not have a Long Term Incentive Plan pursuant to which it provides compensation intended to motivate performance over a period greater than one financial year.

Termination of Employment, Change in Responsibilities and Employment Contracts

During the most recently completed financial year there were no employment contracts between the Company or its subsidiaries and a NEO, and no compensatory plans, contracts or arrangements where a NEO is entitled to receive more than $100,000 from the Company or its subsidiaries, including periodic payments or installments, in the event of:

(a) The resignation, retirement or any other termination of the NEO's employment with the Company and its subsidiaries;

(b) A change of control of the Company or any of its subsidiaries; or

(c) A change in the NEO's responsibilities following a change in control.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out, as of the end of the Company's fiscal year ended April 30, 2014, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) [1]
Equity compensation plans approved by securityholders	1,445,000	$0.10	12,253
Total	**1,445,000**	**$0.10**	12,253

[1] Based on 10% rolling stock option plan of 1,457,253 stock options available for grant (10% of 14,572,537 issued and outstanding common shares as at April 30, 2014), minus the current number of stock options granted of 1,445,000.

Corporate Governance Disclosure

Board of Directors

The Board of Directors presently has four directors, one of whom is independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set

out in section 1.4 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). A director is independent if he has no direct or indirect material relationship to the Company. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Thomas Clarke is considered an independent director. Ravinder Mlait, Kulwant Malhi and Bryan Loree are not considered independent as they are senior officers of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (British Columbia), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board of Directors meet independently of management members when warranted.

Other Directorships

The directors of the Company are also currently directors of the following reporting issuers:

Name	Reporting Issuer
Ravinder Mlait	Rockland Minerals Corp.
Bryan Loree	Rockland Minerals Corp.
Kulwant Malhi	Strata Minerals Inc.

Orientation and Continuing Education

The Company has not formalized an orientation program. If a new director was appointed or elected, however, he or she would be provided with orientation and education about the Company which would include information about the duties and obligations of directors, the business and operations of the Company, documents from recent board meetings and opportunities for meetings and discussion with senior management and other directors. Specific details of the orientation of each new director would be tailored to that director's individual needs and areas of interest.

The Company does provide continuing education opportunities to directors so that they may maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Company's business remains current.

Ethical Business Conduct

The Company has not taken any formal steps to promote a culture of ethical business conduct, but the Company and its management are committed to conducting its business in an ethical manner. This is

accomplished by management actively doing the following in its administration and conduct of the Company's business:

1. The promotion of integrity and deterrence of wrongdoing.

2. The promotion of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.

3. The promotion of avoidance or absence of conflicts of interest.

4. The promotion of full, fair, accurate, timely and understandable disclosure in public communications made by the Company.

5. The promotion of compliance with applicable governmental laws, rules and regulations.

6. Providing guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.

7. Helping foster a culture of integrity, honesty and accountability throughout the Company.

Nomination of Directors

The Board as a whole is responsible for identifying and evaluating qualified candidates for nomination to the Board.

In identifying candidates, the Board considers the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

Compensation

The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling these responsibilities, the Board evaluates the performance of the Company's chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

Assessments

The Board has not, as of the present time, taken any formal steps to assess whether the Board, its committees and its individual directors are performing effectively.

Audit Committee

General

The Audit Committee is a standing committee of the Board of Directors, the primary function of which is to assist the Board of Directors in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board of Directors and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board of Directors have established.

Audit Committee Charter

The Board of Directors has adopted the Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule H to this information circular.

Composition

The Audit Committee currently consists of the following three directors. Also indicated is whether they are 'independent' and 'financially literate'.

Name of Member	Independent[1]	Financially Literate[2]
Ravinder Mlait	No	Yes
Thomas Clarke	Yes	Yes
Bryan Loree	No	Yes

Notes:

(1) *A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President or Secretary, is deemed to have a material relationship with the Company.*

(2) *A member of the Audit Committee is financially literate if he has 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 Company anticipates appointing Raj Attariwala to the audit committee upon his appointment to the Board following the Meeting. Upon his appointment as a director, Mr. Attariwala will be an independent director of the Board.

Because the shares of the Company are listed on the Exchange, it is categorized as a venture issuer. As a result, National Instrument 52-110 Audit Committees ("**NI 52-110**") exempts the members of the Company's Audit Committee from being independent.

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Ravinder Mlait – Mr. Mlait holds a Master of Business Administration (MBA) from Royal Roads University in British Columbia with a specialization in Executive Management and his BA (Economics) from Simon Fraser University and has served as an executive with companies listed on the TSX and TSX Venture exchange. Mr. Mlait has completed his Canadian Securities Course. Mr. Mlait's public company experience along with specific courses taken on accounting and finance during his graduate and undergraduate education provides him relevant knowledge to understand financial statements.

Thomas Clarke – Mr. Clarke has served as a director for various TSX Venture listed companies. Thomas is a geologist holding a BSc. (Honours) and MSc in Geology from the University of the Witwatersrand as well as a BSc in Geography from the University of Lethbridge. Mr. Clarke's public company experience along with specific courses taken on finance during university education provides him relevant knowledge to understand financial statements.

Bryan Loree – Mr. Loree has held various senior accounting roles for public and private companies in various industries including, renewable energy, exploration, and construction. Mr. Loree holds a Certified Management Accountant designation, a Financial Management Diploma from the British Columbia Institute of Technology, and a BA from Simon Fraser University.

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 which was not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in NI 52-110, the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
April 30, 2013	$17,250	Nil	$800	Nil
April 30, 2014	$15,000	Nil	$1,500	Nil

(1) The aggregate fees billed by the Company's auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.

(3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 because it is a venture issuer.

Indebtedness of Directors and Senior Officers

None of the directors or executive officers of the Company or any subsidiary thereof, or any associate or affiliate of the above, is or has been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

Interest of Certain Persons or Companies in Matters to be Acted Upon

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the approval of the Stock Option Plan:

(a) Each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;

(b) Each proposed nominee for election as a director of the Company; and

(c) Each associate or affiliate of any of the foregoing.

Interest of Informed Persons in Material Transactions

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

ANNUAL MEETING

Financial Statements

The Financial Statements will be presented to Shareholders at the Meeting. The Financial Statements have been filed on SEDAR and are available at www.sedar.com.

Appointment of Auditor

It is the intention of the management designees, if named as proxy, to vote FOR the re-appointment of Manning Elliott LLP Chartered Accountants as auditor for the Company to hold office until the next annual general meeting of Shareholders, at a remuneration to be fixed by the Board of Directors. Manning Elliott LLP Chartered Accountants was first appointed auditor of the Company in 2013.

Number of Directors

The board of directors of the Company currently consists of four persons consisting of Ravinder Mlait, Bryan Loree, Kulwant Malhi and Thomas Clark. At the Meeting, Shareholders will be asked to set the number of directors of the Company for the ensuing year at five directors.

It is the intention of the management designees, if named as proxy, to vote FOR setting the number of directors for the ensuing year at five directors.

Election of Directors

The Board of Directors presently consists of four directors, and it is anticipated that five directors will be elected for the coming year. The term of office for persons elected at the Meeting will expire at the next annual general meeting of Shareholders, unless a director resigns or is otherwise removed in accordance with the BCA.

The persons named below will be presented at the Meeting for election as directors as nominees of management. It is the intention of the management designees, if named as proxy, to vote FOR the election of the persons listed in the table below to the Board of Directors.

It should be noted that the names of further nominees for election as director may come from the floor during the Meeting.

The following table sets out the names of the persons to be presented for election as director as nominees of management, all other positions and offices with the Company now held by them, their principal occupation or employment, the year in which they became a director of the Company and the number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, if any, as at the date hereof:

Name Province/State Country of Residence and Position(s) with the Company[(1)]	Principal Occupation Business or Employment for Last Five Years[(1)]	Periods during which Nominee has Served as a Director	Number of Common Shares Owned[(1)]
Ravinder Mlait, MBA[(2)] Coquitlam, B.C. Canada *Chief Executive Officer, President and Director*	June 2010 to present, Chief Executive Officer of Rockland Minerals Corp., a mineral exploration issuer listed on the TSX Venture Exchange; January 2004 to May 2010, business development positions with Pacific Bay Minerals Ltd., a mineral exploration issuer listed on the TSX Venture Exchange; January 2004 to November 2007, corporate advisory consultant to Cusac Gold Mines Ltd., a mining company listed on the Toronto Stock Exchange	April 5, 2011 to present	2,248,500[(4)]

Name Province/State Country of Residence and Position(s) with the Company[(1)]	**Principal Occupation Business or Employment for Last Five Years**[(1)]	**Periods during which Nominee has Served as a Director**	**Number of Common Shares Owned**[(1)]
Bryan Loree, BA, CMA[(2)] Burnaby, B.C. Canada *Chief Financial Officer, Secretary and Director*	July 2010 to present, Chief Financial Officer of Rockland Minerals Corp., a mineral exploration issuer listed on the TSX Venture Exchange; June 2007 to May 2011, accountant position with Nechako Minerals Corp., a private mineral exploration company; January 2008 to May 2011, business development officer with Syntaris Power Corp., a private renewable energy company.	April 5, 2011 to present	2,025,000[(5)]
Kulwant Malhi Delta, BC Canada *Director*	Principal at Cannabix Breathalyzer Inc., a private company and holder of the Patent Application licensed to the Company; Royal Canadian Mounted Police, January 2000-February 2011; President BullRun Group. 2008-Present, a private mineral processing company; Strata Minerals Inc.- director April 2014-Present, a mineral exploration company listed on the TSX Venture; and Cairo Resources Inc.-President November 2012-June 2014, a Capital Pool Company listed on the TSX Venture.	June 30, 2014 to present	2,625,000[(6)]
Raj Attariwala, Phd. [(3)] Vancouver, B.C. Canada	Principal at AIM Medical Imaging, a private medical services company. Partner with Cannabix Breathalyzer Inc., a private company and holder of the Patent Application licensed to the Company; Medical Director at Premier Diagnositic Health Serivces Since August 2012, a private medical services company.	Nil	1,875,000[(7)]
Thomas Clarke[(2) (3)] P.Geo Vancouver, B.C. *Director*	May 2004 to present, President of Twillar Resources, a private mineral exploration company; July 2007 to present, President of Drakensberg Capital (formerly Drakensberg Diamonds), a private mineral exploration company; February 2007 to October 2010, President of Nanoose Gold, a private mineral exploration company; September 2009 to November 2009, geologist with ETK Inc.; January 2009 to February 2009, geological consultant with McLeay Geological Consultants; July 2008 to September 2008, geologist with Largo Resources.	March 4, 2013 to present	Nil[(8)]

(1) Information has been furnished by the respective nominees individually.

(2) Denotes a member of the Audit Committee of the Company.

(3) Denotes an independent director.

(4) Does not include the stock options held by Mr. Mlait. Mr. Mlait holds the following options to purchase common shares of the Company: (a) 205,000 common shares of the Company at $0.10 per share expiring on April 3, 2019, (b) 630,000 common shares of the Company at $0.125 per share expiring on October 22, 2019.

(5) Does not include the stock options held by Mr. Loree. Mr. Loree holds the following options to purchase common shares of the Company: (a) 205,000 common shares of the Company at $0.10 per share expiring on April 3, 2019(b) 630,000 common shares of the Company at $0.125 per share expiring on October 22, 2019.

(6) Does not include the stock options or warrants held by Mr. Malhi. Mr. Malhi holds the following options to purchase common shares of the Company: 630,000 common shares of the Company at $0.125 per share expiring on October 22, 2019. Mr. Malhi also indirectly holds 3,200,000 share purchase warrants through Cannabix Breathalyzer Inc., a private company principally controlled by Mr. Malhi, each warrant of which permits the holder to acquire a Common Share at the exercise price of $0.075 per share until expiry on June 26, 2015.

(7) Does not include the stock options held by Mr. Attariwala. Mr. Attariwala holds the following options to purchase common shares of the Company: 200,000 common shares of the Company at $0.125 per share expiring on October 22, 2019.

(8) Does not include the stock options held by Mr. Clarke. Mr. Clarke holds the following options to purchase common shares of the Company: (a) 50,000 common shares of the Company at $0.10 per share expiring on April 3, 2019 (b) 20,000 common shares of the Company at $0.125 per share expiring on October 22, 2019;

Unless otherwise stated, each of the above proposed directors has held the principal occupation or employment indicated for the past five years.

The above information has been furnished by the respective directors individually.

Corporate Cease Trade Orders

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that: was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Thomas Clarke, a director of the Company, entered into a personal consumer proposal with creditors as of January 2014. Beyond this, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest among the Company and its directors or officers.

Approval of Incentive Stock Option Plan

The Option Plan is a “rolling” stock option plan, which makes a maximum of 10% of the issued and outstanding Common Shares available for issuance thereunder. The policies of the Exchange require that a rolling plan such as the Option Plan be approved by the Shareholders on an annual basis.

The purpose of the Option Plan is to provide directors, officers and key employees of, and certain other persons who provide services to, the Company with an opportunity to purchase Common Shares of the Company at a specific price, and subsequently benefit from any appreciation in the value of the Common Shares. This provides an incentive for such persons to contribute to the future success of the Company and enhances the ability of the Company to attract and retain skilled and motivated individuals, thereby increasing the value of the Common Shares for the benefit of all Shareholders.

The exercise price of stock options granted under the Option Plan will be determined by the Board and will be priced in accordance with the policies of the Exchange, and will not be less than the closing price of the Common Shares on the Exchange on the date prior to the date of grant less any allowable discounts. All options granted under the Option Plan will have a maximum term of five years.

The Option Plan provides that it is solely within the discretion of the Board of Directors to determine who should receive options and how many they should receive. The Board may issue a majority of the options to insiders of the Company. However, the Option Plan provides that in no case will the Option Plan or any existing share compensation arrangement of the Company result, at any time, in the issuance to any option holder, within a one year period, of a number of Common Shares exceeding 5% of the Company’s issued and outstanding Common Share capital.

The full text of the Option Plan is available for review by any Shareholder up until the day preceding the Meeting at the Company’s head office, located at 7934 Government Rd, Burnaby, BC, and will also be available at the Meeting.

Upon the approval of the Option Plan by Shareholders, Shareholder approval will not be required or sought on a case-by-case basis for the purpose of the granting of options and the exercise of options under the Option Plan.

At the Meeting, Shareholders will be asked to approve an ordinary resolution approving the Option Plan. The text of the resolution to be considered and, if thought fit, approved at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. The Company’s incentive stock option plan, which makes a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder as described in the Company’s Information Circular dated January 14, 2015, be and is hereby ratified, confirmed and approved.

2. The Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Option Plan.

3. The Company be and is hereby, at the discretion of the Board, to amend the exercise price of previously granted option agreements, without further approval of the shareholders, all in accordance with the policies of the Exchange.

4. Any one director or officer of the Company be and is hereby authorized and directed to perform all such acts, deeds and things and execute all such documents and other instruments as may be required to give effect to the true intent of this resolution."

Approval of the resolution will require the affirmative vote of a majority of the votes cast at the Meeting in respect thereof.

Management of the Company recommends that Shareholders vote in favour of the approval of the Option Plan, and if named as proxy, the management designees intend to vote the Common Shares represented by such proxy FOR approval of the Stock Option Plan, unless otherwise directed in the form of proxy.

THE ARRANGEMENT

Purpose of the Arrangement

The purpose of the Arrangement is to restructure the Company and separate its two distinct businesses by transferring or "spinning-out" the Company's Hazeur Property and mineral exploration business into Torino, a new British Columbia corporation incorporated by the Company to facilitate the Arrangement, which will become a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba on the effective date of the Arrangement. By separating the mineral exploration business into a new company, the Company will be able to focus on its primary existing technology business, namely the development and commercialization of the Cannabix Marijuana Breathalyzer as further described herein. The Company believes this will be beneficial to both the Company and the shareholders of the Company for a variety of reasons including the belief that the proposed Arrangement will: (i) allow the respective management teams and boards to concentrate their time and efforts on their respective and distinct businesses, (ii) allow the capital markets, investors and shareholders to evaluate the respective businesses within their respective peer groups, (iii) better attract financing and investment, (iv) allow management to utilize available funds in a more efficient and strategic manner without having to advance two very distinct business segments; and (v) attract key management and directors with specialized expertise in the respective businesses.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates as proposed are as follows:

Meeting:	February 17, 2015
Final Court Approval:	February 26, 2015
Effective Date:	March 1, 2015

The Effective Date is an anticipated date. The Board of Directors will determine the Effective Date, based on its determination of when all conditions to the completion of the Arrangement are satisfied. Notice of the actual Effective Date will be given to Shareholders through a press release when all conditions to the Arrangement have been met and the Board of Directors is of the view that all elements of the Arrangement will be completed.

The New Common Shares are anticipated to commence trading on the Exchange on the Effective Date.

The foregoing dates may be amended at the discretion of the Company.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is included as Exhibit 1 to the Arrangement Agreement, a copy of which is attached as Schedule B to this Circular.

Pursuant to the Arrangement Agreement, the Company has agreed to transfer the Hazeur Property and $10,000 of its working capital to Torino. This transfer will be effected pursuant to the Arrangement. Under the Arrangement, the existing Shareholders, in exchange for their Common Shares, will receive one New Common Share and a fraction of a Torino Common Share, determined in accordance with the Torino Reorganization Ratio, as applicable, for every existing Common Share held on the Effective Date. The Company has deemed the value of the Hazeur Property to be equal to $152,230, consisting of the property acquisition cost of $22,800 (comprised of 300,000 Company Shares issued at a deemed value of $0.05 per Common Share and $7,800 cash) and exploration expenditures of $129,430 that the Company has incurred to date on the Hazeur Property. The aggregate value of the assets being transferred to Torino in consideration for the redemption of the Class 1 Reorganization Shares is $162,230.

By resolution dated January 5, 2015, the Board of Directors approved the Arrangement and authorized the making of an application to the Court for the calling of the Meeting. Provided all conditions to implement the Arrangement are satisfied, the appropriate votes of Shareholders authorizing the implementation of the Arrangement are obtained and the Final Court Order is obtained, the following steps will occur as an arrangement pursuant to Section 288 of the BCA, one immediately after the other:

(a) The Company will alter its share capital by creating an unlimited number of New Common Shares and Class 1 Reorganization Shares, and will attach rights and restrictions to the New Common Shares and Class 1 Reorganization Shares.

(b) Each issued and outstanding Common Share (other than Common Shares held by Dissenting Shareholders) will be exchanged by Shareholders for one New Common Share and one Class 1 Reorganization Share, and all of the issued Common Shares will be cancelled.

(c) All of the Class 1 Reorganization Shares will be transferred by Shareholders to Torino in exchange for Torino Common Shares in accordance with the Torino Reorganization Ratio. Torino will not issue any fractional Torino Common Shares, and any fractional Torino Common Shares resulting from the exchange will be cancelled.

(d) The Company will redeem all of the Class 1 Reorganization Shares from Torino and will satisfy the redemption amount of such shares by the transfer to Torino of the Hazeur Property and $10,000 of working capital.

As a result of the foregoing, on the Effective Date two companies will exist, the Company and Torino. The Company will retain its existing technology business focused on the development and commercialization of the Cannabix Marijuana Breathalyzer and remaining working capital and Torino will hold the Hazeur Property and $10,000 in cash. Shareholders (other than Dissenting Shareholders) will own New Common Shares and 8,000,000, or 100% of the issued and outstanding Torino Common Shares.

The transactions comprising the Arrangement will occur on a tax-deferred basis for Shareholders who are residents of Canada. A Shareholder may however choose to recognize a gain that otherwise would be income tax-deferred. See "*Canadian Federal Income Tax Considerations About the Arrangement for Shareholders*."

Assuming the Shareholders and the Court approve the Arrangement, the Board of Directors will still have discretion as to whether to complete the Arrangement. At the present time, the Board of Directors intends to complete the Arrangement. See "*The Arrangement - Amendment and Termination of the Arrangement Agreement*."

Fairness of Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board of Directors, based upon, but not limited to, the following factors:

(a) Under the terms of the Arrangement, all Shareholders (other than Dissenting Shareholders) will be treated equally as to participation in the Arrangement.

(b) The Arrangement will benefit Shareholders generally through providing them with ownership positions in:

  (i) Torino, a new company that will be a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba which will hold the Hazeur Property and $10,000 in cash to be used towards working capital;

  (ii) A continuing interest in the Company, which is retaining its technology business focused on the development and commercialization of the Cannabix Marijuana Breathalyzer and remaining working capital.

(c) The belief that the proposed Arrangement will: (i) allow the respective management teams and boards to concentrate their time and efforts on their respective and distinct businesses, (ii) allow the capital markets, investors and shareholders to evaluate the respective businesses within their respective peer groups, (iii) better attract financing and investment, (iv) allow management to utilize available funds in a more efficient and strategic manner without having to advance two very distinct business segments; and (v) attract key management and directors with specialized expertise in the respective businesses.

(d) The Arrangement must be approved by two-thirds of the votes cast at the Meeting by Shareholders and by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to Shareholders (see "*The Arrangement - Plan of Arrangement and Conditions to the Arrangement Becoming Effective*").

(e) The availability of rights of dissent to registered Shareholders with respect to the Arrangement.

Recommendations of Board of Directors

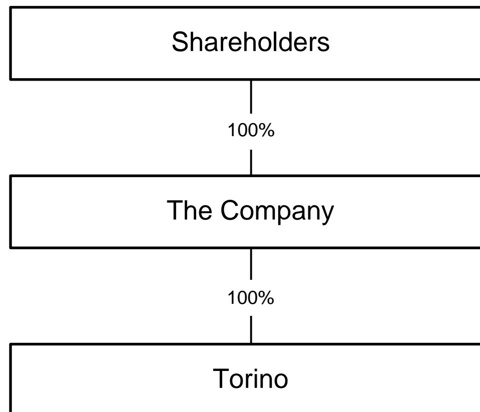
As set out above the Board of Directors has reviewed the terms and conditions of the Arrangement and concluded that the terms thereof are fair and reasonable to, and in the best interests of, the

Shareholders. The Board of Directors has therefore authorized the submission of the Arrangement to the Shareholders and the submission of the Arrangement Agreement to the Court for approval.

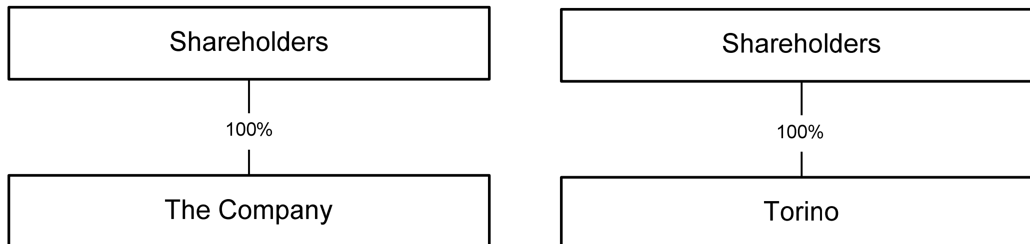
Corporate Structure

Presented below is the anticipated corporate structure of the Company before and after completion of the Arrangement:

(a) Corporate structure prior to the Arrangement:



(b) Corporate structure immediately following completion of the Arrangement.



Plan of Arrangement and Conditions to the Arrangement Becoming Effective

The directors of each of the Company and Torino have authorized the entering into, and each company has entered into, the Arrangement Agreement. A copy of the Arrangement Agreement is attached to this Circular as Schedule B and a copy of the Plan of Arrangement is attached as Exhibit 1 to the Arrangement Agreement.

Pursuant to the Arrangement Agreement, the respective obligations of the Company and Torino to complete the Arrangement and to file a certified copy of the Final Order and such other documentation required by the Registrar in order for the Arrangement to be implemented are also subject to the satisfaction of the following conditions, among other things:

(a) The Arrangement must receive the approval of the Shareholders, as described under "*Required Approvals - Shareholder Approval of Arrangement*".

(b) The Arrangement must be approved by the Court, as described under "*Required Approvals - Court Approval of Arrangement*".

(c) No action has been instituted and continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of or relating to the Arrangement, and no cease trading or similar order with respect to any securities of the Company or Torino has been issued and remains outstanding.

(d) The Company and Torino have received all necessary orders and rulings from various securities commissions and regulatory authorities in the relevant provinces of Canada, where required.

(e) The New Common Shares are listed for trading on the Exchange.

(f) All other consents, waivers, orders and approvals, including regulatory approvals and orders necessary for the completion of the Arrangement, have been obtained or received.

(g) None of the consents, waivers, orders or approvals contemplated herein will contain conditions or require undertakings considered unsatisfactory or unacceptable by the Company.

(h) The Arrangement Agreement has not been terminated as provided for therein. Management of the Company believes that all consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained prior to the Effective Date in the ordinary course and upon application therefor.

Upon fulfillment of the foregoing conditions, the Board of Directors intends to take such steps and make such filings as may be necessary for the Arrangement to be implemented. The Effective Date will be the date set out in such filings.

The obligations of each of the Company and Torino to complete the transactions contemplated by the Arrangement Agreement are further subject to the condition, which may be waived by any other party without prejudice to its right to rely on any other condition in its favour, that each and every one of the covenants of the other parties thereto to be performed on or before the Effective Date pursuant to the terms of the Arrangement Agreement will have been duly performed and that, except as affected by the transactions contemplated by the Arrangement Agreement, the representations and warranties of such other parties thereto will be true and correct in all material respects as at such Effective Date, with the same effect as if such representations and warranties had been made at and as of such time, and each such party will have received a certificate, dated the Effective Date, of a senior officer of each of the other parties confirming the same.

Required Approvals

Shareholder Approval of Arrangement

As provided in the Interim Order, before the Arrangement can be implemented the Arrangement Resolution, with or without variation, must be passed by at least two-thirds of the votes cast with respect thereto by shareholders present at the Meeting either in person or by proxy. Each Common Share carries the right to one vote. A copy of the Arrangement Resolution is attached as Schedule A to this Circular.

The Board of Directors has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the Arrangement Resolution, and the persons named in the enclosed form of proxy intend to vote FOR such approval at the Meeting unless otherwise directed by the Shareholders appointing them.

At the present time, the sole voting shareholder of Torino is, and prior to the implementation of the Arrangement, the sole shareholder will continue to be, the Company, which has approved the Arrangement.

Court Approval of Arrangement

The BCA requires that the Company obtain court approval to proceed with the Arrangement. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters related thereto. A copy of the Interim Order is attached to this Circular as Schedule C. The Petition and Notice of Hearing for the Final Order are respectively attached as Schedule C and Schedule D.

As provided in the Notice of Hearing, the hearing in respect of the Final Order is scheduled to take place on February 26, 2015, before the Court, subject to Shareholder approval of the Arrangement at the Meeting. At this hearing, all Shareholders who wish to participate or be represented or present evidence or argument may do so, subject to filing a notice of appearance and satisfying other requirements. A Shareholder wishing to appear before the Court should seek legal advice.

The Court has broad discretion under the BCA when making orders in respect of the Arrangement and the Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Exchange Approval of Arrangement

The Exchange may require approval or notification of the Arrangement and the listing of the New Common Shares. In this regard, the Company intends to apply to the Exchange, or to notify the Exchange, regarding the listing of the New Common Shares in place of the existing Common Shares upon implementation of the Arrangement, subject to the fulfillment of the usual requirements of the Exchange. The approval or consent of the Exchange is a condition of the Arrangement proceeding. **As of the date hereof, the Exchange has not provided its approval or consent of the Arrangement or the listing of the New Common Shares**.

Amendment and Termination of the Arrangement Agreement

The Arrangement Agreement provides that it may be amended in a manner not materially prejudicial to the Shareholders by written agreement of the Company and Torino before or after the Meeting, but prior to the Effective Date, without further notice to the Shareholders.

The Arrangement Agreement may, at any time before or after the holding of the Meeting but no later than the Effective Date, be terminated by the Board of Directors without further notice to, or action on the part of, Shareholders.

Without limiting the generality of the foregoing, the Board of Directors may terminate the Arrangement Agreement:

(a) If immediately prior to the Effective Date, Dissenting Shareholders holding 10% or more of the outstanding Common Shares have not abandoned the right of dissent provided for in the Plan of Arrangement.

(b) If prior to the Effective Date there is any material change in the business, operations, property, assets, liabilities or condition, financial or otherwise, of the Company or Torino, or any change in general economic conditions, interest rates or any outbreak or material escalation in, or the cessation of, hostilities or any other calamity or crisis, or there should develop, occur or come into effect any occurrence which has a material effect on the financial markets of Canada and the Board of Directors determines in its sole judgment that it would be inadvisable in such circumstances for the Company to proceed with the Arrangement.

Failure to Complete Arrangement

In the event the Arrangement Resolution is not passed by Shareholders, the Court does not approve the Arrangement or the Arrangement does not proceed for some other reason, all working capital will remain with the Company and the Company will carry on business as it is currently carried on. In such event Torino will likely remain a dormant company.

Delivery of Share Certificates

The Certificates currently representing the Common Shares will continue to represent the New Common Shares upon completion of the Arrangement. If the Arrangement is completed on or about March 1, 2015. Torino will mail to Shareholders of record on or about the Effective Date the certificates representing the Torino Common Shares which the Shareholders are entitled to receive under the Arrangement.

U.S. Securities Laws

Under existing interpretations of the SEC's Division of Corporation Finance, the proposed issuances of New Common Shares and Class 1 Reorganization Shares and Torino Common Shares to the Shareholders are considered to be "offers" or "sales" of securities. The Company and Torino therefore seek to rely upon the securities registration exemption set forth in Section 3(a)(10) of the 1933 Act with respect to the various issuances of securities in the Arrangement. The consequences to Shareholders are set out below.

In the event that the Arrangement is completed, the resulting issuance of New Common Shares, Class 1 Reorganization Shares and Torino Common Shares to Shareholders will not be registered under the 1933 Act or the securities laws of any state of the United States, but will instead be effected in reliance on the registration exemption provided by Section 3(a)(10) of the 1933 Act and exemptions provided under applicable state securities laws.

New Common Shares, Class 1 Reorganization Shares and Torino Common Shares received by a Shareholder who is an "affiliate" of the Company or Torino after the Arrangement will be subject to certain resale restrictions imposed by the 1933 Act. As defined in Rule 144 under the 1933 Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer. Typically, persons who are executive officers, directors or shareholders owning 10% or more of an issuer are considered to be its "affiliates."

With respect to New Common Shares issued to Shareholders upon completion of the Arrangement, persons who are not affiliates of the Company prior to the Arrangement and who are not affiliates of the Company after the Arrangement may, subject to applicable Canadian requirements, resell such securities without restriction under the 1933 Act. The same is true with respect to Torino Common Shares and persons who are not affiliates of Torino prior to the Arrangement and with respect to Torino Common Shares and persons who are not affiliates of Torino after the Arrangement.

Persons who are affiliates of the Company or Torino after the Arrangement may not, as to their respective affiliated issuer(s), resell their New Common Shares and/or Torino Common Shares in the United States absence of registration under the 1933 Act, unless, as discussed below, registration is not required pursuant to the exclusion from registration provided by Regulation S under the 1933 Act.

Subject to applicable Canadian requirements and the following described U.S. imposed limitations, all holders of New Common Shares and Torino Common Shares may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to Regulation S thereunder.

Holders of New Common Shares who are not affiliates of the Company, or who are affiliates of the Company solely by virtue of serving as an officer or director of the Company, may, under the securities laws of the United States, resell their New Common Shares in an “offshore transaction” within the meaning of Regulation S (which would include a sale through the Exchange that is not pre-arranged with a United States buyer) if neither the seller nor any person acting on the seller’s behalf engages in “directed selling efforts” in the United States and, in the case of a person who is an affiliate of the Company solely by virtue of serving as an officer or director, no selling commission, fee or other remuneration is paid in connection with such offer or sale other than a usual and customary broker’s commission. The same is true with respect to Torino Common Shares and persons who are affiliates of Torino after the Arrangement.

For purposes of Regulation S, an “offshore transaction” is a transaction that meets the following requirements: (i) the offer is not made to a person in the United States; (ii) either (A) at the time the buy order is originated, the buyer is outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer is outside the United States, or (B) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would currently include the Exchange) and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States; and (iii) offers and sales are not specifically targeted at identifiable groups of U.S. citizens abroad. However, should the common shares of the Company or Torino not be listed on the Exchange, then it would be difficult for U.S. holders to sell such issuer’s respective securities in an “offshore transaction” within the meaning of Regulation S. While the Company intends to apply to the Exchange for the listing of the New Common Shares upon completion of the Arrangement, and believe that such listing will be obtained in the ordinary course, there can be no assurance that such a listing will be obtained or that it will be maintained.

For purposes of Regulation S “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the resale transaction.

Certain additional Regulation S restrictions are applicable (i) to a holder of the Company’s or Torino’s securities who will be an affiliate thereof other than by virtue of his or her status as an officer or director, or (ii) if such issuer does not qualify as a “foreign issuer” as defined in Regulation S at the time of sale. Although upon completion of the Arrangement each of the Company and Torino will qualify as a

"foreign issuer," and management anticipates that each will remain as such for the foreseeable future, there can be no guarantee that one or both will always remain "foreign issuers" as defined in Regulation S.

The exemption provided by Section 3(a)(10) of the 1933 Act will not be available for the issuance of shares upon exercise of warrants or options (which is not contemplated by the Arrangement) issued by either the Company or Torino. As a result such warrants and options may not be exercised by or on behalf of a person in the United States, and the shares issuable upon exercise thereof may not be offered or sold in the United States unless an exemption from the registration requirements under the 1933 Act and the securities laws of all applicable states of the United States is available for such exercise and resale. Subject to applicable Canadian requirements, holders of shares issued upon exercise of any such options or warrants may also resell such shares under SEC Regulation S, as discussed above.

The foregoing discussion is only a general overview of certain requirements of United States federal securities laws applicable to the New Common Shares and Torino Common Shares received upon completion of the Arrangement. Holders of such securities may be subject to additional restrictions, including, but not limited to, restrictions under written contracts, agreements or instruments to which they are parties or are otherwise subject, and restrictions under applicable United States state securities laws. All holders of the Company's and Torino's securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

This solicitation of proxies is not subject to the requirements of Section 14(a) of the United States *Securities Exchange Act of 1934*. Accordingly, this Circular has been prepared in accordance with the disclosure requirements of Canadian law. Such requirements are different than those of the United States applicable to registration statements under the 1933 Act and proxy statements under the United States *Securities Exchange Act of 1934*. The financial statements included herein have been prepared in accordance with Canadian GAAP, are subject to Canadian auditing and auditor-independence standards, and may not be comparable in all respects to financial statements of United States companies.

The securities to be issued in connection with the Arrangement have not been approved or disapproved by the United States Securities and Exchange Commission or securities regulatory authorities of any state of the United States, nor has the United States Securities and Exchange Commission or securities regulatory authority of any state in the United States passed on the adequacy or accuracy of this circular. Any representation to the contrary is a criminal offence.

Stock Exchange Listing

The Common Shares are currently listed on the Exchange. The Arrangement will not be implemented unless the New Common Shares are listed on the Exchange in place of the existing Common Shares. The Company intends to apply to the Exchange for approval or consent to the listing of the New Common Shares. The Torino Common Shares will not be listed upon any stock exchange upon completion of the Arrangement. **As of the date hereof, the Exchange has not provided its approval or consent of the Arrangement or the listing of the New Common Shares**.

Canadian Federal Income Tax Considerations About the Arrangement for Shareholders

In the opinion of Clark Wilson LLP, Canadian counsel to the Company, the following summary fairly describes the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to Shareholders who, for purposes of the ITA and at all relevant times: (a) are not exempt from Canadian federal income tax; (b) hold their Common Shares as capital property and will

hold their New Common Shares and Torino Common Shares as capital property; (c) are not affiliated with the Company or Torino; (d) deal at arm's length with the Company and Torino; and (e) immediately after the completion of the Arrangement will not, either alone or together with persons with whom they do not deal at arm's length, and persons with whom they do not deal at arm's length will not, either control Torino, or beneficially own shares of Torino, which have a fair market value in excess of 50% of the fair market value of all the outstanding shares of Torino (a "**Holder**").

Common Shares, New Common Shares and Torino Common Shares, will generally be considered to be capital property to a Holder thereof, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade. Certain Holders who are resident in Canada and who might not otherwise be considered to hold their Common Shares, New Common Shares and Torino Common Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the ITA to have such shares, and every other "Canadian security" as defined in the ITA, owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Any person contemplating making a subsection 39(4) election should first consult their tax advisor for advice as the making of such election will affect the income tax treatment of the person's disposition of other Canadian securities.

This summary is not applicable to a Holder: (i) that is a "financial institution" for the purposes of the "mark- to-market property" rules contained in the ITA; (ii) that is a "specified financial institution" as defined in the ITA; (iii) of an interest which is a "tax shelter investment" as defined in the ITA, (iv) who has acquired Common Shares, or who acquires New Common Shares or Torino Common Shares upon the exercise of an employee stock option; or (v) that is a taxpayer whose "functional currency" for the purposes of the ITA is the currency of a country other than Canada.

This summary is based upon the current provisions of the ITA, the regulations thereunder (the "**Regulations**"), and counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the ITA and Regulations (the "**Proposed Amendments**") announced by the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in their present form. If the Proposed Amendments are not enacted as presently proposed, the tax consequences may not be as described below in all cases. This summary does not take into account or anticipate any other changes in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. No representation with respect to the Canadian federal income tax consequences to any particular Shareholder is made herein. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances including, where relevant, the application and effect of the income and other taxes of any country, province, territory, state or local tax authority.

Holders Resident in Canada

This part of the summary applies generally to a Holder who, at all material times, is or is deemed to be resident in Canada for the purposes of the ITA (a "**Resident Holder**").

Exchange of Common Shares for New Common Shares and Reorganization Shares

A Resident Holder who exchanges Common Shares for Class 1 Reorganization Shares and New Common Shares under the Arrangement will be deemed to dispose of the Common Shares for proceeds of disposition equal to the adjusted cost base to the Holder of such Common Shares and to acquire the Class 1 Reorganization Shares and New Common Shares at an aggregate cost equal to such adjusted cost base. Accordingly, no capital gain or loss will be realized by a Resident Holder on such exchange.

The aggregate cost of the Class 1 Reorganization Shares and the New Common Shares must be allocated between such shares in proportion to the relative fair market value of such shares immediately after the exchange (the "**Proportionate Allocation**"). The Company advises that the Class 1 Reorganization Shares will have an aggregate fixed redemption value of $162,230 and that it is reasonable to consider that the fair market value of the Class 1 Reorganization Shares will be equal to the aggregate redemption value of such shares, being $162,230. The New Common Shares will have an aggregate fair market value equal to the aggregate fair market value of the Common Shares immediately before the Arrangement less the aggregate fair market value of the Class 1 Reorganization Shares. The Company has advised counsel that it will make available on its website, after the Effective Date, an estimate of the Proportionate Allocation. This allocation is not binding on the CRA. The fair market value of the Class 1 Reorganization Shares and the New Common Shares is a question of fact to be determined having regard to all of the relevant circumstances and counsel is not qualified to express, and does not express, any opinion as to value.

Exchange of Class 1 Reorganization Shares for Torino Common Shares

Unless a Resident Holder chooses to recognize a capital gain or capital loss on the exchange of its Class 1 Reorganization Shares for Torino Common Shares pursuant to the Arrangement, the Resident Holder will be deemed to dispose of the Class 1 Reorganization Shares for proceeds of disposition equal to the adjusted cost base of such shares to the Holder immediately before the exchange, and to have acquired the Torino Common Shares at an aggregate cost equal to such adjusted cost base. Accordingly, no capital gain or loss will be realized by the Resident Holder on such exchange.

A Resident Holder may choose to recognize a capital gain (or capital loss) on the exchange of Class 1 Reorganization Shares for Torino Common Shares by including all or any portion of the capital gain (or capital loss) otherwise determined in the Holder's income in the Holder's return of income for the Holder's taxation year in which the exchange occurs. Where a Resident Holder chooses to recognize a capital gain (or capital loss) on the exchange, the Holder will realize a capital gain (or capital loss) equal to the amount by which the fair market value of the Torino Common Shares received on the exchange exceeds (or is exceeded by) the adjusted cost base to the Holder of the Class 1 Reorganization Shares so exchanged and the Holder will acquire the Torino Common Shares at an aggregate cost equal to the fair market value thereof. See "*Taxation of Capital Gains and Losses*" below for a general description of the treatment of capital gains and losses under the ITA.

Eligibility for Investment

New Common Shares and Class 1 Reorganization Shares will, at the time they are acquired under the Arrangement, be qualified investments under the ITA for a trust governed by a registered retirement savings plan (a "**RRSP**"), registered retirement income fund (a "**RRIF**"), deferred profit sharing plan, registered education savings plan, registered disability savings plan and a tax-free savings account (a "**TFSA**") (collectively, "**Registered Plans**").

The Torino Common Shares will, at the time they are acquired under the Arrangement, be qualified investments under the ITA for Registered Plans, provided that, at that time the Torino Common Shares are listed on a designated stock exchange (currently including the Canadian Securities Exchange, TSX and Tiers 1 and 2 of the TSX Venture Exchange), or Torino is a "public corporation" as defined for purposes of the ITA. The Company advised that Torino intends to apply to have the Torino Common shares listed on a designated stock exchange before the end of its first taxation year and intends to elect in its return of income for its first taxation year, and on or before its filing due date for its first taxation year (the "**Due Date**"), to be deemed to have been a public corporation from the beginning of the year. Provided the Torino Common Shares are listed on a designated stock exchange in Canada on or before the Due Date and Torino makes this election in its return of income for its first taxation year, Torino will be a public corporation at the time the Torino Common Shares are acquired under the Arrangement.

Notwithstanding the foregoing, the holder of a TFSA or an annuitant of a RRSP or RRIF which holds New Common Shares, Class 1 Reorganization Shares or Torino Common Shares will be subject to a penalty tax under the ITA if such security is a "prohibited investment" under the ITA. In general terms, the New Common Shares, Class 1 Reorganization Shares and Torino Common Shares will be a "prohibited investment" for a particular RRSP, RRIF or TFSA if at any time the holder or annuitant (the "**Plan Holder**") (i) does not deal at arm's length with the Company or Torino for purposes of the ITA, or (ii) has a "significant interest" in the Company or Torino, as that term is defined in the ITA. Generally, a Plan Holder will have a significant interest in a corporation if the Registered Plan, the Plan Holder, and other persons not at arm's length with the Plan Holder, together, directly or indirectly, own more than 10% of the shares of any class of shares of the corporation. Holders should consult their own tax advisors to ensure that the New Common Shares, Class 1 Reorganization Shares and Torino Common Shares would not be a prohibited investment for a trust governed by a TFSA, RRSP, or RRIF in their particular circumstances.

Dissenting Resident Holders

A Resident Holder who dissents in respect of the Arrangement (a "**Resident Dissenter**") and who is entitled to receive payment from the Company equal to the fair value of the Resident Dissenter's Common Shares will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount received by the Resident Dissenter, less the amount of any interest awarded by a court, as the case may be. A Resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition for purposes of computing a capital gain (or a capital loss) on the disposition of such Common Shares. The tax treatment accorded to any deemed dividend is discussed below under the heading, "*Holders Resident in Canada —Dividends on New Common Shares and Torino Common Shares*".

A Resident Dissenter will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such Common Shares, as reduced by the amount of any deemed dividend as discussed

above and net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition. The tax treatment of capital gains and capital losses (including the potential reduction of a capital loss due to the receipt of a deemed dividend) is discussed below under the heading, "*Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*".

Interest awarded by a court to a Resident Dissenter will be included in the Resident Dissenter's income for a particular taxation year to the extent the amount is received or receivable in that year, depending upon the method regularly followed by the Resident Dissenter in computing income. Where the Resident Dissenter is a corporation, partnership or, subject to certain exceptions, a trust, the Resident Dissenter must include in income for a taxation year the amount of interest that accrues to it before the end of the taxation year, or becomes receivable or is received before the end of the year (to the extent not included in income for a preceding taxation year). Resident Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.

Dividends on New Common Shares and Torino Common Shares

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on New Common Shares and Torino Common Shares will be included in computing the individual's income and will be subject to gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Company or Torino, as the case may be, as an "eligible dividend" in accordance with the ITA.

In the case of a Resident Holder that is a corporation, dividends received or deemed to be received on New Common Shares and Torino Common Shares will be included in computing the corporation's income and will generally be deductible in computing its taxable income. A "private corporation" (as defined in the ITA) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable under Part IV of the ITA to pay a refundable tax of 33⅓% on dividends received or deemed to be received on shares of the Company or Torino to the extent that such dividends are deductible in computing the corporation's taxable income.

Disposition of New Common Shares and Torino Common Shares

The disposition or deemed disposition of New Common Shares and Torino Common Shares by a Resident Holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those shares immediately before the disposition. See "*Holders Resident in Canada—Taxation of Capital Gains and Losses*" below for a general description of the tax treatment of capital gains and losses under the ITA.

Taxation of Capital Gains and Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be included in the Holder's income for the year. One-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a year will be required to be deducted against taxable capital gains realized in the year. Any excess of allowable capital losses over taxable capital gains in a taxation year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the ITA.

The amount of any capital loss arising on the disposition or deemed disposition of a New Common Share or Torino Common Share by a Resident Holder that is a corporation may be reduced by the amount of certain dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the ITA. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns such shares, or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

Alternative Minimum Tax on Individuals

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability for alternative minimum tax under the ITA.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" as defined in the ITA may be required to pay an additional 6⅔% refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains, dividends, deemed dividends and interest.

Holders Not Resident in Canada

The following portion of this summary is applicable to a Holder who: (i) has not been, is not, and will not be resident or deemed to be resident in Canada for purposes of the ITA; and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Common Shares, New Common Shares or Torino Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non- Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Exchange of Common Shares for New Common Shares and Class 1 Reorganization Shares

The discussion above, applicable to Resident Holders under the headings "*Holders Resident in Canada — Exchange of Common Shares for New Common Shares and Class 1 Reorganization Shares*" and "*Exchange of Class 1 Reorganization Shares for Torino Common Shares*" also applies to a Non-Resident Holder. The tax treatment of a capital gain or a capital loss realized by a Non-Resident Holder is described generally below under the heading "*Holders Not Resident in Canada — Taxation of Capital Gains and Losses*".

Taxation of Capital Gains and Capital Losses

A Non-Resident Holder will not be subject to tax under the ITA in respect of any capital gain arising on a disposition or deemed disposition of New Common Shares or Torino Common Shares, unless, at the time of disposition, such shares constitute "taxable Canadian property" of the Non-Resident Holder within the meaning of the ITA and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, a New Common Share or a Torino Common Share, as the case may be, will not be taxable Canadian property to a Non-Resident Holder at a particular time provided that such share is listed on a designated stock exchange (which currently includes the Exchange, the TSX and the TSX Venture Exchange) unless, at any particular time during the 60-month period immediately preceding the

disposition (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of the Company or Torino, as the case may be; and (ii) more than 50% of the fair market value of the particular share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" as defined in the ITA, "timber resource property" as defined in the ITA, or options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the ITA, New Common Shares or Torino Common Shares could be deemed to be taxable Canadian property to the Non-Resident Holder.

Even if a New Common Share or a Torino Common Share is taxable Canadian property to a Non-Resident Holder, any gain realized on a disposition of such share may be exempt from tax under the ITA pursuant to the provisions of an applicable income tax convention between Canada and the country in which such Non-Resident Holder is resident.

In the event a New Common Share or a Torino Common Share is taxable Canadian property to a Non-Resident Holder at the time of disposition and the capital gain realized on the disposition of such share is not exempt from tax under the ITA pursuant to the provisions of an applicable income tax convention then the tax consequences described above under "*Holders Resident in Canada — Disposition of New Common Shares and Torino Common Shares" and "Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*" will generally apply. Non-Resident Holders should consult their own tax advisors with respect to the Canadian tax consequences of disposing of such shares.

Dividends on New Common Shares and Torino Common Shares

Dividends paid or credited or deemed under the ITA to be paid or credited to a Non-Resident Holder on New Common Shares or Torino Common Shares will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax convention.

Dissenting Non-resident Holders

A Non-Resident Holder who dissents in respect of the Arrangement (a "**Non-Resident Dissenter**") will be entitled to receive a payment from the Company equal the fair value of such Non-Resident Dissenter's Common Shares and will be considered to have disposed of such shares for proceeds of disposition equal to the amount received by the Non-Resident Dissenter, less the amount of any interest awarded by a court (if applicable). A Non-Resident Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing a capital gain (or a capital loss) on the disposition of such Common Shares. The deemed dividend will be subject to Canadian withholding tax as described above under "*Holders Not Resident in Canada — Dividends on New Common Share and Torino Common Shares*".

A Non-Resident Dissenter will also realize a capital gain to the extent that the proceeds of disposition for such shares, as reduced by the amount of any deemed dividend as discussed above, and net of any reasonable costs of disposition, exceed the adjusted cost base of such Common Shares immediately before the disposition. A Non-Resident Dissenter generally will not be subject to income tax under the ITA in respect of any such capital gain provided such shares do not constitute taxable Canadian property

of the Non-Resident Dissenter as described above under "*Holders Not Resident in Canada — Taxation of Capital Gains and Capital Losses*".

Any interest paid to a Non-Resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax.

No U.S. Legal Opinion or IRS Ruling

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Arrangement's U.S. tax implications.

RIGHTS OF DISSENT

The following description of the rights of registered Shareholders to dissent and be paid fair value for their Common Shares is not a comprehensive statement of the procedures to be followed by a registered Shareholder and is qualified in its entirety by the reference to the full text of the Interim Order and Sections 237 to 247 of the BCA, copies of which are attached to this Circular as Schedule C and Schedule E, respectively. **A registered Shareholder who intends to exercise a right of dissent should carefully consider and comply with the provisions of Section 237 to 247 of the BCA, as modified by the Interim Order, and should seek independent legal advice**. Failure to comply with the provisions of those sections, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder. The Court on hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing.

A Shareholder who intends to exercise its right of dissent must deliver a written objection to the Arrangement Resolution (a "**Dissent Notice**") to the registered office of the Company at 7934 Government Road, Burnaby, BC, V5A 2E2, Attention: Ravinder Mlait, to be actually received by no later than 11:00 a.m. (Vancouver time) on February 13, 2015, and must not vote any Common Shares it holds in favour of the Arrangement Resolution. A Beneficial Shareholder who wishes to exercise its rights of dissent must arrange for the registered Shareholder holding its Common Shares to deliver the Dissent Notice. The Dissent Notice must contain all of the information specified in the Interim Order.

If the Arrangement Resolution is passed at the Meeting, the Company must send by registered mail to every Dissenting Shareholder, prior to the date set for the hearing of the Final Order, a notice (a "**Notice of Intention**") stating that, subject to receipt of the Final Order and satisfaction of the other conditions set out in the Arrangement Agreement, the Company intends to complete the Arrangement, and advising the Dissenting Shareholder that if the Dissenting Shareholder intends to proceed with its exercise of its rights of dissent it must deliver to the Company, within 14 days of the mailing of the Notice of Intention, a written statement containing the information specified by the Interim Order, together with the certificates representing the Common Shares it holds.

A Dissenting Shareholder delivering such a written statement may not withdraw from its dissent and, at the Effective Date, will be deemed to have transferred to the Company all of the Common Shares it holds. The Company will pay to each Dissenting Shareholder the amount agreed between the Company and the Dissenting Shareholder for its Common Shares. Either the Company or a Dissenting Shareholder may apply to the Court if no agreement on the terms of the sale of the Common Shares held by the Dissenting Shareholder has been reached and the Court may:

(a) determine the fair value that the Common Shares had immediately before the passing of the Arrangement Resolution, excluding any appreciation or depreciation in anticipation of the Arrangement unless exclusion would be inequitable, or order that such fair value be established by arbitration or by reference to the Registrar, or a referee of the court;

(b) join in the application each other Dissenting Shareholder which has not reached an agreement for the sale of its Common Shares to the Company; and

(c) make consequential orders and give directions it considers appropriate.

If a Dissenting Shareholder fails to strictly comply with the requirements of its rights of dissent set out in the Interim Order, it will lose such rights, the Company will return to the Dissenting Shareholder the certificates representing the Common Shares that were delivered to the Company, if any, and, if the Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as other Shareholders who did not exercise their rights of dissent.

If a Dissenting Shareholder strictly complies with the foregoing requirements but the Arrangement is not completed, then the Company will return to the Dissenting Shareholder the certificates delivered to the Company, if any, pursuant to its rights of dissent.

INFORMATION CONCERNING THE COMPANY

The Company was incorporated under the laws of the province of British Columbia on April 5, 2011. The Company's head office and registered and records office is located at 7934 Government Road, Burnaby, British Columbia V5A 2E2.

As of June 5th, 2014 the Company's primary business is the development of the Cannabix marijuana breathalyzer. The Company also holds a 100% interest in the Hazeur Property located in Quebec, Canada.

The Company completed an initial public offering to list on the TSX Venture Exchange on December 16, 2013 under the symbol "WPO". Effective June 26, 2014, the Company voluntarily delisted from the TSX Venture Exchange and listed on the Exchange under the symbol "BLO". On August 12, 2014, the Company completed a name change from West Point Resources Inc. to Cannabix Technologies Inc.

As at the date hereof, the Company has one wholly-owned subsidiary which is Torino, a private British Columbia corporation that was incorporated to facilitate the Arrangement. Currently the Company holds the only issued and outstanding Torino Common Share which it expects to return to treasury for no consideration on the effective date of the Arrangement. Torino was incorporated on September 10, 2014.

After completion of the Arrangement, the Company will continue with the development and commercialization of its technology business focused on the Cannabix Marijuana Breathalyzer.

Description of the Business

Cannabix Marijuana Breathalyzer

On May 13, 2014 the company entered into a binding letter of intent with Cannabix Breathalyzer Inc. (a private B.C. company). On June 5, 2014, the Company and Cannabix Breathalyzer Inc. entered into a definitive licensing agreement. The definitive licensing agreement provides the Company, as licensee, the exclusive right, title, and interest in United States Patent Application Serial No. 61/981,650No. 1 (the "Patent Application") from Cannabix Breathalyzer Inc., as licensor. The territory covered in the definitive agreement is the United States and its territories and possessions, and all other countries that are deemed to constitute the North American continent. In consideration for the license grant, the Company issued 7,500,000 Common Shares to Cannabix Breathalyzer Inc. and issued 7,500,000 share purchase warrants exercisable at $0.075 (exercisable for a period of 12 months, expiring on June 26, 2015) to Cannabix Breathalyzer Inc.

Additional milestone payments

The definitive agreement outlines future share payments upon reaching the following milestones: (i) the issuance of 7,500,000 Common Shares within 14 business days of prototype delivery to the Company; and (ii) the issuance of 5,000,000 Common Shares upon receipt of the final patent. There is no assurance that a prototype will be completed or that a final patent will be issued by the U.S. patent office.

Royalty on Licensed Patent

The Company, as licensee, has also agreed to pay Cannabix Breathalyzer Inc., as licensor, a royalty of three percent (3%) of the Company's selling price for each licensed product manufactured, used, or sold by the Company in the Territory or imported by the Company into the Territory.

Mineral Exploration

Hazeur Property, Quebec, Canada

On February 7, 2014, the Company entered into and closed the Mineral Property Agreement to purchase 100% of the Hazeur Property. As consideration for the acquisition of the Hazeur Property, the Company paid $7,800 in cash and issued 300,000 Common Shares at a deemed value of $0.05 per share, subject to a 2% net smelter returns royalty of which 1% can be purchased by the Company for $1 million.

For a full description of the Hazuer Property, in addition to the proposed two-stage work program thereon, please see the Technical Report titled NI 43-101 Technical Report On the Monster Lake South property dated January 5, 2015 prepared for the Company by Jeannot Theberge P.Geo, Terrax Management Inc., a copy of which has been filed on SEDAR and available for review at www.sedar.com.

Selected Financial Information

Annual Information

The following is a summary of certain selected financial information of the Company for the last three financial years which is qualified by the more detailed information appearing in the Company's financial statements, which are filed on SEDAR and available for review at www.sedar.com.

	Year Ended April 30, 2014 (audited) ($)	Year Ended April 30, 2013 (audited) ($)	Year Ended April 30, 2012 (audited) ($)
Total revenues	Nil	Nil	Nil
Loss before discontinued operations and extraordinary items	(503,407)	(78,284)	(220, 073)
Basic and diluted loss per share	(0.06)	(0.02)	(0.08)
	As at April 30, 2014 (audited) ($)	**As at April 30, 2013 (audited) ($)**	**As at April 30, 2012 (audited) ($)**
Mineral Properties	22,800	50,000	50,000
Total Assets	306,786	89,951	96,169
Current Liabilities	81,692	35,251	1,800
Total Long Term Debt	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil

Quarterly Information

The following is a summary of certain selected unaudited financial information of the Company for the eight most recently completed quarters which is qualified by the more detailed information appearing in the Company's financial statements, which are filed on SEDAR and available for review at www.sedar.com.

Quarter Ended

	Quarter Ended October 31 2014 $	Quarter Ended July 31 2014 $	Quarter Ended April 30 2014 $	Quarter Ended January 31 2014 $
Revenue	Nil	Nil	Nil	Nil
Net loss	(190,034)	(659,231)	(308,949)	(107,278)
Loss per share, basic and diluted	(0.01)	(0.03)	(0.01)	(0.01)

	Quarter Ended October 31 2013 $	Quarter Ended July 31 2013 $	Quarter Ended April 30 2013 $	Quarter Ended January 31 2013 $
Revenue	Nil	Nil	Nil	Nil
Net loss	(67,766)	(19,414)	(57,340)	(4,620)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.00)

Dividend Policy

The Company has paid no dividends since its inception. At the present time, the Company intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of the Company and on such other factors as the Board of Directors may consider appropriate. However, since the Company is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Management's Discussion and Analysis

Management's discussion and analysis of its financial position and results of operations for the fiscal year ended April 30, 2014 and the interim period ended October 31, 2014 have been filed on SEDAR and are available for review at www.sedar.com.

Management's discussion and analysis should be read in conjunction with the Company's audited financial statements and the notes thereto for the year ended April 30, 2014 and the Company's unaudited interim financial statements and the notes thereto for the three and six months ended October 31, 2014. These financial statements have also been filed on SEDAR and are available for review at www.sedar.com.

Directors and Officers

The directors and officers of the Company elected at the Meeting will continue to be the directors and officers of the Company upon completion of the Arrangement. For further information, see "*Annual Meeting Business - Election of Directors*".

Below is additional information on the Company's directors to be presented for election.

Kulwant Mahli, Director, and President, 48 years old. Mr. Malhi is a Vancouver based entrepreneur and the founder of Cannabix Breathalyzer Inc. Mr. Malhi is a retired member of the Royal Canadian Mounted Police and is also President of BullRun Group, a private investment company specializing in early stage business development. Mr. Malhi has founded and funded several public and private early stage companies and is well versed in the administration of private and public companies. From November 2010 to present, Mr. Malhi has served as President of Cairo Resources Inc, a TSX-V listed CPC. Mr. Malhi also serves as a director on Strata Minerals Inc, a mineral exploration company listed on the TSX-V. Since 2008, Mr. Malhi has been President of Bullrun Group Inc., a private mineral prospecting company that has several projects under option to publicly listed mineral exploration companies.

Dr. Rajpaul Attariwala, MD, PhD**,** proposed director - 47 years old. Dr. Attariwala is a Vancouver based dual board certified Radiologist and Nuclear Medicine physician certified in both Canada and the United States. He received his formal medical training at University of British Columbia with periods of specialized medical training at Memorial Sloan Kettering Cancer Centre (New York), UCLA and USC. He holds a doctorate in Biomedical Engineering from Northwestern University (Evanston, IL). Dr. Attariwala is a practicing physician in British Columbia and is the owner of AIM medical imaging in Vancouver. He has pioneered advances in the field of whole body medical imaging thru his work and authored numerous publications. Dr. Attariwala has also presented at many International Medical Conferences on whole body imaging and cancer detection.

Ravinder S. Mlait, MBA – Director, Chief Executive Officer, 38 years old – Mr. Mlait has served as a director, Chief Executive Officer of the Company from April 5, 2011. From June 2010 to present,

Mr. Mlait has served as Chief Executive Officer and President of Rockland Minerals Corp., a mineral exploration company listed on the TSX Venture Exchange. From January 2004 to May 2010, Mr. Mlait performed business development services for Pacific Bay Minerals Ltd., a mineral exploration company listed on the TSX Venture Exchange that carried out exploration activities in Argentina, Quebec and British Columbia. Initially, he was a corporate communications consultant from January 2004 to November 2007 and later was appointed Vice Present Business Development from December 2007 to May 2010. Mr. Mlait also acted as a corporate advisory consultant to Cusac Gold Mines Ltd., a then mining issuer listed on the Toronto Stock Exchange from January 2004 to November 2007. To the knowledge of Mr. Mlait, all organizations listed above are still carrying on business. Mr. Mlait obtained a Bachelor of Arts degree (Economics) from Simon Fraser University in 1999 and obtained his Masters of Business Administration from Royal Roads University in Victoria, British Columbia in 2010.

Bryan E. Loree, BA, CMA – Director, Chief Financial Officer, and Corporate Secretary, 38 years old – Mr. Loree has served as a director, Chief Financial Officer and Corporate Secretary of the Company from April 5, 2011. From July 2010 to present, Mr. Loree has served as Chief Financial Officer of Rockland Minerals Corp., a mineral exploration issuer listed on the TSX Venture Exchange. From June 2007 to May 2011, Mr. Loree held an accountant position with Nechako Minerals Corp., a private mineral exploration company. From January 2008 to May 2011, Mr. Loree was a business development officer with Syntaris Power Corp., a private renewable energy company. Mr. Loree obtained a Diploma of Technology – Financial Management from the British Columbia Institute of Technology in 2002 and obtained a Certified Management Accountant designation from the Certified Management Accounts of British Columbia in 2008.

Thomas W. Clarke, P.Geo. – Director, 40 years old – Mr. Clarke has served as a director of the Company from March 4, 2013. Mr. Clarke is a professional geologist. From 2004 to current, Mr. Clarke has served as President and consulting geologist with Twillar Resources Limited, a private mineral exploration company. From May 2007 to current, Mr. Clarke has also served as director of Twillar Resources Limited. From September 2010 to present, Mr. Clarke has served as a director of Weststar Resources Corp., a mineral exploration issuer listed on the TSX Venture Exchange. From May 2010 to present, Mr. Clarke has served as a director of Clear Mountain Resources Corp., a mineral exploration issuer listed on the TSX Venture Exchange. From July 2007 to current, Mr. Clarke has been President and a director of Drakensberg Capital Inc., a private mineral exploration company. From May 2010 to October 2012, Mr. Clarke was a director with Bonterra Resources Inc., a mineral exploration issuer listed on the TSX Venture Exchange. Mr. Clarke obtained a Bachelor of Science (Geology) from the University of Lethbridge, Alberta in 1997, a Bachelor of Science (Honours) Geography from the University of Witwatersrand, Johannesburg, South Africa in 2002 and a Master of Science (Geology) from the University of Witwatersrand in 2004. Mr. Clarke obtained his P.Geo. designation in 2013 from the Association of Professional Engineers & Geoscientists of British Columbia and his Pr.Sci.Nat. designation in 2007 from the South African Council for Natural & Scientific Professions.

None of the directors or officers have entered into a non-competition, non-solicitation or non-disclosure agreement with the Company.

Description of Share Capital

Upon completion of the Arrangement the authorized capital of the Company will consist of an unlimited number of Common Shares, an unlimited number of New Common Shares, an unlimited number of Class 1 Reorganization Shares and an unlimited number of preferred shares.

The New Common Shares will have priority over the Common Shares on the liquidation, dissolution or winding up of the Company with respect to the distribution of assets of the Company in an amount equal to the paid-up capital of the New Common Shares. Otherwise, all Common Shares and New Common Shares rank equally as to dividends, voting powers and participation in assets. No such shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds with respect to such shares. Provision as to modifications, amendments or variations of such rights or such provisions are contained in the Company's articles and the BCA.

The Class 1 Reorganization Shares will rank in priority to the Common Shares and New Common Shares, but are non-voting. The Class 1 Reorganization Shares will not be entitled to dividends and will be redeemable and retractable in an amount equal to $162,230, consisting of the deemed value of the Hazeur Property, or $152,230, and the $10,000 working capital being transferred to Torino pursuant to the Arrangement (the "**Redemption Amount**"). On liquidation, dissolution or winding up, the Class 1 Reorganization Shares will rank in priority to the Common Shares and New Common Shares with respect to a distribution of assets of the Company in an amount equal to the Redemption Amount.

Pursuant to the Arrangement, one New Common Share and one Class 1 Reorganization Share will be issued for each Common Share currently held by Shareholders. Immediately upon completion of the Arrangement there will be the same number of New Common Shares outstanding as the number of Common Shares that were previously outstanding prior to completion of the Arrangement.

Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the preferred shares by the directors, holders of preferred shares shall not be entitled, as such, to receive notice of, or to attend or vote at, any general meeting of shareholders of the Company. No dividend shall be declared or paid at any time on the preferred shares. The preferred shares may include one or more series and, subject to the BC Act the directors may, by resolution, if none of the shares of any particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following: (i) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination; and (ii) create an identifying name for the shares of that series, or alter any such identifying name; and (iii) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

In the event of a liquidation or dissolution of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the preferred shares will be entitled, before any distribution or payment of any amounts due to holders of the Common Shares and New Common Shares, but after any distribution or payment of any amounts due to holders of the Class 1 Reorganization Shares as provided for in the articles, to receive the amount paid up with respect to each preferred share held by them, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of the preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company, except as specifically provided in the special rights and restrictions attached to any particular series.

Options to Purchase Shares

As at the date hereof, the Company has an aggregate of 4,175,000 options to purchase Common Shares outstanding under the Option Plan. A summary of these options is as follows:

Category of Optionees	Number	Exercise Price ($)	Expiration Date
Present and past Executive Officers (3 individuals)	410,000	$0.10	April 3, 2019
	1,890,000	$0.125	October 22, 2019
Present and past Directors (3 individuals)	484,000	$0.10	April 3, 2019
	170,000	$0.125	October 22, 2019
Present and past Employees	Nil	Nil	Nil
Consultants (7 individuals)	551,000	$0.10	April 3, 2019
	720,000	$0.125	October 22, 2019

To participate in the Arrangement, holders of options must exercise their options so that they are Shareholders as of the Effective Date.

Prior Sales

The Company issued the following Common Shares within the 12 months prior to the date of this Circular.

- On December 22, 2014, 200,000 Common Shares were issued in connection with the exercise of warrants at an exercise price of $0.10 per share.
- On November 28, 2014, 50,000 Common Shares were issued in connection with the exercise of warrants at an exercise price of $ per share.
- On November 20, 2014, 1,275,000 Common Shares were issued in connection with the exercise of warrants at an exercise price of $0.10 per share.
- On October 2, 2014, the Company issued 100,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.10 per share.
- On October 2, 2014, the Company issued 500,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On September 30, 2014, the Company issued 100,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.10 per share.
- On September 30, 2014, the Company issued 150,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On September 29, 2014, the Company issued 100,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.10 per share.

- On September 29, 2014, the Company issued 150,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On July 14, 2014, the Company issued 200,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On July 9, 2014, the Company issued 570,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On July 8, 2014, the Company issued 930,000 Common Shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On July 4, 2014, the Company issued 50,000 shares in connection with the exercise of 50,000 stock options at an exercise price of $0.10 per share.
- On July 4, 2014, the Company issued 1,050,000 shares in connection with the exercise of warrants at an exercise price of $0.075 per share.
- On July 4, 2014, the Company issued 350,000 shares in connection with the exercise of warrants at an exercise price of $0.20 per share.

Stock Exchange Price

The Common Shares are listed for trading on the Exchange. The following table sets forth the reported high, low and closing prices and trading volume of the outstanding Common Shares on the Exchange for the periods indicated.

	High	Low	Close	Volume
December 2014	0.145	0.11	0.14	1,957,628
November 2014	0.16	0.05	0.11	15,286,018
Quarter ended October 31, 2014	0.195	0.06	0.07	20,850,997
Quarter ended July 31, 2014	0.32	0.00	0.155	19,108,350
Quarter ended April 30, 2014	0.16	0.00	0.045	6,403,447
Quarter ended January 31, 2014(1)	0.20	0.00	0.00	1,222,000
Quarter ended October 31, 2013(2)	Not Available	Not Available	Not Available	Not Available
Quarter ended July 31, 2013(2)	Not Available	Not Available	Not Available	Not Available
Quarter ended April 30, 2013(2)	Not Available	Not Available	Not Available	Not Available
Quarter ended January 31, 2013(2)	Not Available	Not Available	Not Available	Not Available

(1) The high, low, close and volume numbers are from December 18, 2013 to January 31, 2014.

(2) The high, low, close and volume information are not available partially as a result of the voluntary delisting of the Common Shares from the TSX Venture Exchange on June 26, 2014.

Auditors and Registrar and Transfer Agent

The auditors for the Company are Manning Elliott LLP Chartered Accountants, 11th Floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7.

The registrar and transfer agent for the Company is TMX Equity Financial Trust Company at 650 West Georgia Street, Suite 2700, Vancouver, BC V6B 4N9.

Legal Proceedings

The Company is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business. Please see the description as set out above in the section titled "General Development of the Business – Significant Acquisitions and Dispositions" the only contracts entered into by the Company within the twelve months preceding the date of this Circular and which can be reasonably regarded as material to the Company are as follows:

1. Arrangement Agreement dated January 5, 2015. See "*The Arrangement*".

2. Consulting Agreement dated July 21, 2014 with Kulwant Malhi. See "*Executive Compensation – Termination and Change of Control Benefits*".

3. Consulting Agreements dated June 15, 2014 with each of Ravinder Mlait and Bryan Loree. See "*Executive Compensation – Termination and Change of Control Benefits*".

4. Patent License Agreement dated June 5, 2014 with Cannabix Breathalyzer Inc. See *Information Concerning the Company – Description of Business – Cannabix Marijuana Breathalyzer*".

5. Letter of Intent dated May 13, 2014 with Cannabix Breathalyzer Inc. See "*Information Concerning the Company – Description of Business – Cannabix Marijuana Breathalyzer*".

6. Hazeur Property Agreement dated February 7, 2014. See "*Information Concerning the Company – Description of Business – Mineral Exploration*".

Risk Factors

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the Common Shares, the New Common Shares, the Torino Common Shares and/or the business of the Company or Torino following the Arrangement.

In addition to the risk factors relating to the Arrangement set out below, Shareholders should also carefully consider the risk factors associated with Torino included in this Information Circular. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the Company, including receipt of the Final Order and approval of the Exchange. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Common Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed.

The market price for the Common Shares may decline.

If the Arrangement is not approved by the Shareholders, the market price of the Common Shares may decline to the extent that the current market price of the Common Shares reflects a market assumption that the Arrangement will be completed.

The Torino Common Shares may not be qualified investments under the ITA for a Registered Plan

There is no assurance when, or if, the Torino Common Shares will be listed on the Exchange or any other designated stock exchange. If the Torino Common Shares are not listed on a designated stock exchange in Canada before the Due Date for Torino's first income tax return or if Torino does not otherwise satisfy the conditions in the ITA to be a "public corporation", the Torino Common Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Torino Common Share in circumstances where the Torino Common Share is not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers, or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

INFORMATION CONCERNING TORINO

Torino was incorporated under the BCA on September 9, 2014. The head office of Torino is located at 7934 Government Rd, British Columbia V5A 2E2. The registered and records office of Torino is located at 7934 Government Rd, British Columbia V5A 2E2.

The Company currently holds 1 Torino Common Share (or 100% of the issued and outstanding Torino Common Shares). Upon completion of the Arrangement, the Company anticipates it will return the Torino Common Share to treasury for no consideration and the Shareholders will be issued all 8,000,000 Torino Common Shares that are expected to be issued and outstanding on the effective date of the Arrangement.

Upon completion of the Arrangement, Torino will be a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba. After the Effective Date, Torino will hold the Hazeur Property and the $10,000 cash as working capital. See "*Description of Business of Torino*" below.

Description of Business of Torino

Torino currently has no assets and is a recently incorporated entity, incorporated solely for the purpose of this Arrangement.

Proposed Transfer of Hazeur Gold Property

The Company will transfer the Hazeur Property and $10,000 cash to Torino upon the effective date of the Arrangement in consideration for the redemption, by the Company, of the Class 1 Reorganization Shares held by Torino. Following the effective date of the Arrangement, Torino anticipates it will become a mineral exploration company and commence the recommended exploration program on the Hazeur Property. For information on the Hazeur Property, see "*Information Concerning the Company – Description of Business – Mineral Exploration"* and the Technical Report filed on SEDAR under the profile of the Company and available at www.sedar.com. Following the effective date of the Arrangement, Torino anticipates it will file a copy of the Technical Report together with a consent of the author of the Technical Report under the SEDAR profile of Torino.

Following the effective date of the Arrangement, Torino plans to complete a private placement financing of up to $25,000 in order to carry out exploration activities on the Hazeur Property.

Available Funds and Principal Purposes for Use

Upon the Effective Date, Torino anticipates that it will have approximately $10,000 in funds available, based on $10,000 being transferred from the Company. Torino plans to complete a private placement after the effective date of the Arrangement for up to $25,000. The Company anticipates that this amount will cover the anticipated legal, accounting and audit expenses necessary to cover operating expenses over the next 12 months and to cover the first stage of the proposed work program on the Hazeur Property. In the event Torino is unable to raise any funds in the proposed financing, Torino will be required to delay its exploration on its property.

Proposed Use of Funds for Next 12 months

Description	**Amount**
General and Administrative Expenses	$10,000
Exploration	$25,000
Total	**$35,000**

Directors and Officers

Upon completion of the Arrangement Bryan Loree will continue to act as a director and executive officer of Torino. Torino anticipates appointing two additional directors on or immediately prior to the effective date of the Arrangement to address the requirement to have at least three directors for reporting issuers under the BC Act. At this time, neither the Company nor Torino has identified which directors may be appointed to such positions. For further information on Bryan Loree, see "*Annual Meeting Business - Election of Directors*" and "*Information Concerning the Company – Directors and Officers*."

Bryan Loree has not entered into a non-competition, non-solicitation or non-disclosure agreement with Torino.

Share Capital

The authorized capital of Torino consists of an unlimited number of Torino Common Shares without par value and an unlimited number of preferred shares without par value. As of the date hereof, there is one Torino Common Share issued and outstanding and no preferred shares outstanding.

All Torino Common Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in the Torino articles and the BCA.

Pursuant to the Arrangement, a fraction of a Torino Common Share will be issued for each Class 1 Reorganization Share acquired by Shareholders in accordance with the Torino Reorganization Ratio.

Options to Purchase Shares

Torino has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividend Record

Torino has paid no dividends since its inception. At the present time, Torino intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of Torino and on such other factors as the board of directors of Torino may consider appropriate. However, since Torino is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of Torino Common Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Torino Common Shares	Price per Torino Share ($)
September 9, 2014	1(1)	0.01

(1) Issued to the Company on the date of incorporation of Torino. On or prior to the Effective Date, Torino intends to repurchase and return the Torino Common Share from the Company to treasury.

Auditors and Registrar and Transfer Agent

The auditors for Torino are DeVisser Gray LLP, Chartered Accountants, 401– 905 West Pender Street, Vancouver, BC V6C 1L6.

The registrar and transfer agent for Torino is TMX Equity Transfer Services located at 650 West Georgia Street, Suite 2700, Vancouver, B.C. V6B 4N9.

Legal Proceedings

Torino is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Torino since its incorporation and which can be reasonably regarded as material to Torino are as follows:

1. Arrangement Agreement dated July 28, 2014. See "*The Arrangement*."

Risk Factors

An investment in a company such as Torino involves a significant degree of risk including, without limitation, the factors set out below.

Requirements for Further Financing

Torino presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and Torino proceeds with the work program on the Hazeur Property, Torino will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that Torino will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause Torino to reduce or terminate its operations.

The Torino Common Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the Torino on any stock exchange will not be made on the Effective Date. As a result, there is no assurance when, or if, the Torino Common Shares will be listed on any stock

exchange. If the Torino Common Shares are not listed on a designated stock exchange in Canada before the due date for Torino's first income tax return or if Torino does not otherwise satisfy the conditions in the ITA to be a "public corporation", the Torino Common Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Torino Common Share in circumstances where the Torino Common Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a private company incorporated for the purpose of the Arrangement, Torino has a very limited history of operations and must be considered a start-up. As such, Torino is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Torino will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Torino has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of Torino's business. There can be no assurance that the Torino will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of Torino's business.

Risks Inherent in the Mining Business

The mineral exploration business is inherently risky. Few properties that are explored are ultimately developed into producing mines. The business involves significant financial risks over a significant period of time that even a combination of careful evaluation, experience and knowledge may not eliminate. It is impossible to ensure that Torino's proposed exploration programs will result in commercially viable mining operations.

Commercial viability of developing a mineral resource or mineral reserve depends on a number of factors, such as, size and grade of the deposit, proximity to infrastructure, financing costs and governmental regulations that include regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Torino not receiving an adequate return on invested capital.

Mineral properties are often non-productive for reasons that cannot be anticipated in advance. Even after the commencement of mining operations, such operations may be subject to risks and hazards, including availability of a suitably trained or trainable labour force, an effective working relationship between Torino and its labour force, successful renegotiation of labour contracts when they expire, particularly with respect to its unionized labour force and related collective agreement, environmental hazards, industrial accidents, unusual or unexpected geological formations or conditions, unanticipated metallurgical difficulties, the ability to acquire on a timely basis the equipment and materials necessary to operate the mine at full planned capacity, weather conditions (including historically unforeseen and

unpredictable changes in weather patterns such as significantly increased severity of adverse conditions that may be brought about by the phenomenon of global warming or climate change), rock bursts, cave-ins or other ground control problems, seismic activity, flooding, water conditions and mineral or concentrate losses. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties or production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse government action.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Torino's planned mineral exploration and development will be required. No assurances can be given that Torino will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, Torino may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to Torino or at all. If Torino is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Negative Cash Flow

Torino has no history of earnings or cash flow from operations. Torino does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of Torino's securities, including the Torino Common Shares, may be sold and there is no assurance that the Torino Common Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Torino Common Shares are listed on a stock exchange, holders of the Torino Common Shares may not be able to sell their Torino Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Torino Common Shares will develop or be sustained after completion of the Arrangement. The holding of Torino Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Torino Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Competition

The mineral exploration and development industry is highly competitive. Torino will have to compete with other mining companies, many of which have greater financial, technical and other resources than Torino, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on Torino and its prospects.

Dividend Policy

Torino does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from Torino will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of Torino and other factors.

Conflicts of Interest

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

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Financial Statements and MD&A for its most recently completed financial year and the interim period ended October 31, 2014. Shareholders may also contact the Company at 7934 Government Rd. Burnaby, BC V5A 2E2 (Tel: 604-808-2225) to request copies of the Company's comparative financial statements and MD&A for its most recently completed financial year and the interim period ended October 31, 2014.

APPROVAL BY THE BOARD OF DIRECTORS

The contents and mailing to Shareholders of this Circular have been approved by the Board of Directors. No person is authorized to give any information or to make any representations in respect of the matters addressed herein other than those contained in this Circular and, if given or made, such information must not be relied upon as having been authorized.

CERTIFICATE OF CANNABIX TECHNOLOGIES INC.

January 14, 2015

The foregoing as it relates to Cannabix Technologies Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Cannabix Technologies Inc. assuming completion of the Arrangement and other transactions described herein.

"/s/ Ravinder Mlait"	*"/s/ Bryan Loree"*
Ravinder Mlait, Chief Executive Officer	Bryan Loree, Chief Financial Officer

On behalf of the Board of Directors

"/s/ Kulwant Malhi"	*"/s/ Thomas Clarke"*
Kulwant Malhi, Director	Thomas Clarke, Director

CERTIFICATE OF TORINO VENTURES INC.

January 14, 2015

The foregoing as it relates to Torino Ventures Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Torino Ventures Inc. assuming completion of the Arrangement and other transactions described herein.

/s/ Bryan Loree
Bryan Loree, President and Director

SCHEDULE A

CANNABIX TECHNOLOGIES INC.
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement pursuant to section 288 of the *Business Corporations Act* (British Columbia) (the "**Act**"), involving Cannabix Technologies Inc. (the "**Company**"), its holders of common shares (the "**Company Shareholders**"), Torino Ventures Inc. ("**Torino**") and the holders of its common shares (the "**Arrangement**"), all as more particularly set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit 1 to the Arrangement Agreement between the Company and Torino dated January 5, 2015 (the "**Arrangement Agreement**") is hereby authorized and approved.

2. The entering into, delivery and performance by the Company of the Arrangement Agreement which is attached as Schedule B to the Management Information Circular of the Company dated January 14, 2015 (the "**Circular**") accompanying the notice of this meeting, is hereby ratified, confirmed and approved.

3. Notwithstanding the approval of this special resolution or the approval of the Arrangement by the Supreme Court of British Columbia, the board of directors of the Company (i) is hereby authorized in its sole discretion, without further notice to or approval of the Company Shareholders but subject to the terms of the Arrangement Agreement to amend or terminate the Arrangement Agreement at any time prior to the Arrangement becoming effective; and (ii) is hereby authorized, in its sole discretion, without further notice to or approval of the Company Shareholders, to amend the Plan of Arrangement to the extent permitted thereby and to not proceed with the Arrangement at any time prior to the Arrangement becoming effective.

4. Any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to do all acts and things and to execute, whether under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all documents and instruments and to do all such acts and things as in the opinion of such director or officer may be necessary or desirable to carry out the intent of this special resolution.

SCHEDULE B

ARRANGEMENT AGREEMENT

This **AGREEMENT** made as of the 5th day of January,2015.

BETWEEN:

CANNABIX TECHNOLOGIES INC., a company subject to the British Columbia *Business Corporations Act*

("**Cannabix**")

AND

TORINO VENTURES INC., a company subject to the British Columbia *Business Corporations Act*

("**Torino**")

WHEREAS Cannabix intends to propose to its shareholders the Arrangement.

AND WHEREAS Cannabix currently holds one common share in the capital of Torino.

AND WHEREAS the parties hereto wish to record their agreements with regard to the Arrangement and Plan of Arrangement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, words and terms defined in the Circular will have the same meaning when used herein and, in addition, the following terms will have the following meanings:

"**Arrangement**" means the arrangement under the provisions of Section 288 of the BCA among Cannabix and the Shareholders and Torino and its shareholders on the terms and conditions set forth in the Plan of Arrangement or any amendment or variation thereto made in accordance with section 5.1 of this Agreement.

"**BCA**" means the British Columbia *Business Corporations Act*, as amended from time to time.

"**Business Day**" means any day, other than a Saturday or a Sunday, when Canadian chartered banks are open for business in the City of Vancouver.

"**Circular**" means the definitive form, together with any amendments thereto, of the management information circular of Cannabix to be prepared and sent to Shareholders in connection with the Meeting.

"**Class 1 Reorganization Shares**" means the shares without par value in the capital of Cannabix to be issued as part of the Arrangement.

"**Common Shares**" means the common shares without par value in the capital of Cannabix issued and outstanding immediately prior to the implementation of the Arrangement.

"**Court**" means the Supreme Court of British Columbia.

"**Dissent Rights**" means the rights of registered Shareholders to dissent in terms of the Arrangement pursuant to the BCA and the Interim Order.

"**Effective Date**" means the date the Plan of Arrangement becomes effective.

"**Exchange**" means the Canadian Securities Exchange.

"**Final Order**" means the final order of the Court approving the Arrangement.

"**Interim Order**" means the order of the Court to be applied for as contemplated in section 3.3 hereof.

"**Meeting**" means the annual and special general meeting of Shareholders to be held on February 17, 2015 and any adjournment thereof to consider, among other matters, the Arrangement.

"**New Common Shares**" means the new common shares without par value in the capital of Cannabix to be issued as part of the Arrangement.

"**Plan of Arrangement**" means the plan of arrangement which is annexed as Exhibit 1 hereto and any amendment or variation thereto made in accordance with section 5.1 hereof.

"**Registrar**" means the Registrar of Companies appointed under section 400 of the BCA.

"**Shareholders**" means the holders of Common Shares.

"**Torino Common Shares**" means the common shares without par value in the capital of Torino.

"**US Securities Act**" means the United States *Securities Act of 1933*, as amended.

1.2 Interpretation not Affected by Headings

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", and "**hereunder**" and similar expressions refer to this Agreement (including the exhibit hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Numbers, Et Cetera

Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa, words importing the use of any gender will include both genders; and words importing persons will include firms, corporations, trusts and partnerships.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day at such place, unless otherwise agreed to.

1.5 Entire Agreement

This Agreement, together with the exhibit, schedules, agreements and other documents herein or therein referred to, constitute the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect to the subject matter hereof.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Cannabix

Cannabix represents and warrants to and in favour of Torino as follows:

(a) Cannabix is a company duly organized and validly existing under the BCA and has the corporate power and authority to own, operate and lease its property and assets and to carry on its business as now being conducted by it, and it is duly registered, licensed or qualified to carry on business in each jurisdiction in which a material amount of its business is conducted or where the character of its properties and assets makes such registration, licensing or qualification necessary.

(b) Cannabix has the corporate power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder.

(c) The authorized capital of Cannabix consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value of which 43,822,278 common shares were issued and outstanding as at January 5, 2015.

(i) No individual, firm, corporation or other person holds any securities convertible or exchangeable into any shares of Cannabix or has any agreement, warrant, option or any right capable of becoming an agreement, warrant or option for the purchase of any unissued shares of Cannabix, except for employees,

consultants, officers and directors of Cannabix who have options to purchase Common Shares pursuant to the Option Plan and outstanding share purchase warrants.

(d) The execution and delivery of this Agreement by Cannabix and the completion of the transactions contemplated herein:

(i) do not and will not result in a breach of, or violate any term or provision of, the articles of Cannabix;

(ii) subject to receiving any consent as may be necessary under any agreement by which Cannabix is bound, do not and will not, as of the Effective Date, conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which Cannabix, or to which any material property of Cannabix is subject or result in the creation of any lien, charge or encumbrance upon any of the material assets of Cannabix under any such agreement or instrument, or give to any person any material interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, license, permit or authority; and

(iii) subject to receipt of necessary approvals of the Shareholders and the Court do not and will not as of the Effective Date violate any provision of law or administrative regulation or any judicial or administrative award, judgment or decree applicable and known to Cannabix, after due inquiry, the breach of which would have a material adverse effect on Cannabix.

(e) To the best of the knowledge of Cannabix after due inquiry, there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting Cannabix, at law or in equity, before or by any governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind nor, to the best of the knowledge of Cannabix, after due inquiry, are there any existing facts or conditions which may reasonably be expected, individually or in the aggregate, to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement, or the Plan of Arrangement, or which may reasonably be expected individually or in the aggregate to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of Cannabix, either before or after the Effective Date.

(f) The execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by the Board of Directors and this Agreement has been duly executed and delivered by Cannabix and constitutes a valid and binding obligation of Cannabix enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(g) The information set forth in the Circular relating to Cannabix and the interests of Cannabix, its business and properties and the effect of the Arrangement thereon is true,

correct and complete in all material respects and does not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in the light of the circumstances in which they are made.

2.2 Representations and Warranties of Torino

Torino represents and warrants to and in favour of Cannabix as follows:

(a) Torino is a company duly organized and validly existing under the BCA.

(b) Torino has the corporate power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder.

(c) The authorized capital of Torino consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value, of which 1 Torino Common Share is issued and outstanding as at the date hereof. The 1 outstanding Torino Common Share is held by Cannabix.

(d) Except as contemplated by this Agreement, no individual, firm, corporation or other person holds any securities convertible or exchangeable into any shares of Torino or has any agreement, warrant, option or any right capable of becoming an agreement, warrant or option for the purchase of any unissued shares of Torino.

(e) The execution and delivery of this Agreement by Torino and the completion of the transactions contemplated herein:

(i) do not and will not result in the breach of, or violate any term or provision of, the articles of Torino; and

(ii) do not and will not, as of the Effective Date, violate any provision of law or administrative regulation or any judicial or administrative award, judgment or decree applicable and known to Torino, after due inquiry, the breach of which would have a material adverse effect on Torino.

(f) The execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by the board of directors of Torino and this Agreement has been executed and delivered by Torino and constitutes a valid and binding obligation of Torino enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(g) Torino is not engaged in any business nor is it a party to or bound by any contract, agreement, arrangement, instrument, license, permit or authority, other than this Agreement and any transaction or agreement necessary or incidental to the fulfilment of its obligations under Agreement, nor does it have any liabilities, contingent or otherwise, except as provided in or permitted by this Agreement.

3. COVENANTS

3.1 Covenants of Cannabix

Cannabix hereby covenants and agrees with Torino as follows:

(a) Until the Effective Date, Cannabix will carry on its business in the ordinary course and will not enter into any transaction or incur any obligation or liability out of the ordinary course of its business, except as otherwise contemplated in this Agreement.

(b) Except as otherwise contemplated in this Agreement, until the Effective Date, Cannabix will not merge with, amalgamate, consolidate or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which reasonably could be expected to, directly or indirectly, interfere or be inconsistent with the completion of the Arrangement.

(c) Cannabix will, in a timely and expeditious manner, file the Circular in all jurisdictions where the Circular is required to be filed by Cannabix and mail the Circular to Shareholders in accordance with the terms of the Interim Order and applicable law.

(d) Cannabix will perform the obligations required to be performed by it hereunder and will do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the transactions under the Arrangement as described in the Circular and, without limiting the generality of the foregoing, Cannabix shall use its reasonable best efforts to seek:

    (i) the approval of the Shareholders required for the implementation of the Arrangement,

    (ii) the approval for the listing of the New Common Shares on the Exchange,

    (iii) the Final Order as provided for in section 3.3, and

    (iv) such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in section 4.1.

(e) Cannabix will convene the Meeting as soon as practicable and will solicit proxies to be voted at the Meeting in favour of the Arrangement and all other resolutions referred to in the Circular.

(f) Cannabix will use its reasonable best efforts to cause each of the conditions precedent set out in sections 4.1 and 4.2 to be complied with on or before the Effective Date.

(g) As soon as practicable following the Effective Date, Cannabix will make public on its website, or on SEDAR, Cannabix's estimate of the relative fair market values of the Class 1 Reorganization Shares and the New Common Shares immediately after the share exchange contemplated by section 4.1.2 of the Plan of Arrangement.

3.2 Covenants of Torino

Torino hereby covenants and agrees with Cannabix as follows:

(a) Until the Effective Date, it will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person, and perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the Arrangement or other transactions contemplated by this Agreement.

(b) It will perform the obligations required to be performed by it, and will enter into all agreements required to be entered into by it, under this Agreement, the Plan of Arrangement and will do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the Arrangement and related transactions as described in the Circular and, without limiting the generality of the foregoing, it will:

   (i) seek and cooperate with Cannabix in seeking the Final Order as provided for in section 3.3; and

   (ii) seek and cooperate with Cannabix in seeking such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in section 4.1.

3.3 Interim Order and Final Order

Each party covenants and agrees that it will, as soon as reasonably practicable, apply to the Court for the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of, among other matters, considering and, if deemed advisable, approving the Arrangement and that, if the approval of the Arrangement by Shareholders as set forth in the Interim Order is obtained by Cannabix as soon as practicable thereafter each party will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct. As soon as practicable thereafter, and subject to compliance with any other conditions provided for in Article 4 hereof, Cannabix will file with the Registrar a certified copy of the Final Order to give effect to the Arrangement.

3.4 Non-Survival of Representations, Warranties and Covenants

The respective representations, warranties and covenants of Cannabix and Torino contained herein will expire and be terminated and extinguished at and from the Effective Date, other than the covenants in sections 3.1(d) and 3.2(b) and no party will have any liability or further obligation to any party hereunder in respect of the respective representations, warranties and covenants thereafter, other than the covenants in sections 3.1(d) and 3.2(b).

4. CONDITIONS

4.1 Conditions Precedent

The respective obligations of each party hereto to complete the transactions contemplated by this Agreement will be subject to the satisfaction, on or before the Effective Date, of the following conditions, none of which may be waived by any party hereto in whole or in part:

(a) The Arrangement, with or without amendment, will have been approved at the Meeting in accordance with the Interim Order.

(b) The Interim Order and the Final Order will have been obtained in form and substance satisfactory to Cannabix and Torino, acting reasonably.

(c) The Exchange, if required, will have approved, as of the Effective Date, the listing and posting for trading of the New Common Shares issuable on the Arrangement, subject to compliance with the listing requirements thereof.

(d) No action will have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of or damages on account of or relating to the Arrangement and no cease trading or similar order with respect to any securities of Cannabix or Torino will have been issued and remain outstanding.

(e) All material regulatory requirements will have been complied with and all other material consents, agreements, orders and approvals, including regulatory and judicial approvals and orders, necessary for the completion of the transactions provided for in this Agreement or contemplated by the Circular will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances.

(f) None of the consents, orders, regulations or approvals contemplated herein will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by Cannabix or Torino acting reasonably.

(g) This Agreement will not have been terminated under Article 5.

4.2 Conditions to Obligations of Each Party

The obligation of each of Cannabix and Torino to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by any such party without prejudice to its right to rely on any other condition in favour of such party, that each and every one of the covenants of the other party hereto to be performed on or before the Effective Date pursuant to the terms of this Agreement will have been duly performed by such party and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of the other party hereto will be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at and as of such time, and each such party will have received a certificate, dated the Effective Date, of a senior officer of each other party confirming the same.

4.3 Merger of Conditions

The conditions set out in sections 4.1 and 4.2 will be conclusively deemed to have been satisfied, waived or released upon the delivery to the Registrar of a certified copy of the Final Order to give effect to the Arrangement.

5. UNITED STATES SECURITIES LAW MATTERS

The Parties agree that the Arrangement will be carried out with the intention that all New Common Shares, Class 1 Reorganization Shares and the Torino Common Shares issued on completion of the Arrangement to Shareholders will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by the Section 3(a)(10) Exemption. In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

(a) the Arrangement will be subject to the approval of the Court;

(b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;

(c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Shareholders subject to the Arrangement;

(d) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Shareholders;

(e) Cannabix will ensure that each Shareholder entitled to receive New Common Shares, Class 1 Reorganization Shares and Torino Common Shares on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;

(f) the Shareholders will be advised that the New Common Shares, Class 1 Reorganization Shares and Torino Common Shares issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act and may be subject to restrictions on resale under the applicable Securities Legislation of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates of Cannabix;

(g) the Interim Order will specify that each Shareholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the Shareholder files a Response to Petition within a reasonable time; and

(h) the Final Order shall include a statement substantially to the following effect:

"THIS ORDER WILL SERVE AS A BASIS OF A CLAIM TO AN EXEMPTION, PURSUANT TO SECTION 3(A)(10) OF THE *UNITED STATES SECURITIES ACT OF 1933, AS AMENDED*, FROM THE REGISTRATION REQUIREMENTS OTHERWISE IMPOSED BY THAT ACT, REGARDING THE EXCHANGE OF COMMON SHARES FOR NEW COMMON SHARES, CLASS 1 REORGANIZATION SHARES AND TORINO COMMON SHARES, PURSUANT TO THE PLAN OF ARRANGEMENT."

6. AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before and after the holding of the Meeting but not later than the Effective Date, be amended in a manner not materially prejudicial to the Shareholders by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the Shareholders or the Court for any reason whatsoever.

6.2 Termination

This Agreement may, at any time before or after the holding of the Meeting but no later than the Effective Date, be terminated by the Board of Directors without further notice to, or action on the part of, the shareholders.

Without limiting the generality of the foregoing, Cannabix may terminate this Agreement:

(a) In the event that any right of dissent is exercised pursuant to section 5.1 of the Plan of Arrangement in respect of the Common Shares, immediately prior to the Effective Date, shareholders who have exercised their right of dissent and hold 10% or more of the outstanding Common Shares have not abandoned their right of dissent.

(b) If prior to the Effective Date there is a material change in the business, operations, properties, assets, liabilities or condition, financial or otherwise, of Cannabix and its subsidiaries, taken as a whole, or in Torino, or any change in general economic conditions, interest rates or any outbreak or material escalation in, or the cessation of, hostilities or any other calamity or crisis, or there should develop, occur or come into effect any occurrence which has a material effect on the financial markets of Canada and the Board of Directors determines in its sole judgment that it would be inadvisable in such circumstances for Cannabix to proceed with the Arrangement.

6.3 Effect of Termination

Upon the termination of this Agreement pursuant to section 6.2 hereof, no party will have any liability or further obligation to any other party hereunder.

7. GENERAL

7.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be deemed to be validly given if served personally or by facsimile, in each case to the attention of the senior officer at the following addresses or at such other addresses as will be specified by the parties by like notice:

(a) If to Cannabix:

7934 Government Rd
Burnaby, BC, V5A 2E2

Attention: CEO
Facsimile: 604-676-2767

(b) If to Torino:

7934 Government Rd
Burnaby, BC, V5A 2E2

Attention: Bryan Loree
Facsimile: 604-676-2767

The date of receipt of any such notice will be deemed to be the date of delivery or facsimile transmission thereof.

7.2 Assignment

No party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other party hereto.

7.3 Binding Effect

This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties hereto and their respective successors and permitted assigns and, in the case of the Arrangement, will enure to the benefit of the Shareholders.

7.4 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting the same. Waivers may only be granted upon compliance with the terms governing amendments set forth in section 6.1 hereof, applied *mutatis mutandis*.

7.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and will be treated in all respects as a British Columbia contract.

7.6 Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written.

CANNABIX TECHNOLOGIES INC.

By: *<u>/s/ Ravinder Mlait</u>*

TORINO VENTURES INC.

By: *<u>/s/ Bryan Loree</u>*

Exhibit 1
TO THE ARRANGEMENT AGREEMENT

PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*

1. INTERPRETATION

1.1 Definitions

In this Arrangement, unless there is something in the subject matter or context inconsistent therewith:

1.1.1 "**Arrangement**" means the arrangement proposed under the provisions of section 288 of the BCA on the terms set out in this Plan of Arrangement.

1.1.2 "**Arrangement Agreement**" means the agreement, dated as of January 5, 2015 between Cannabix and Torino to which this Plan of Arrangement is attached as Exhibit 1, as the same may be amended from time to time.

1.1.3 "**BCA**" means the British Columbia *Business Corporations Act*, as amended from time to time.

1.1.4 "**Cannabix**" means Cannabix Technologies Inc., a corporation incorporated under the BCA.

1.1.5 "**Circular**" means the definitive form, together with any amendments thereto, of the management information circular of Cannabix to be prepared and sent to the Shareholders in connection with the Meeting.

1.1.6 "**Class 1 Reorganization Ratio**" means the percentage resulting from the division of 8,000,000, as numerator, by the number of Class 1 Reorganization Shares issued on the Effective Date, as denominator.

1.1.7 "**Class 1 Reorganization Shares**" means the shares without par value in the capital of Cannabix to be issued as part of the Arrangement.

1.1.8 "**Common Share**" means the common shares without par value in the capital of Cannabix.

1.1.9 "**Court**" means the Supreme Court of British Columbia.

1.1.10 "**Director**" means the Director appointed under section 260 of the BCA.

1.1.11 "**Effective Date**" means the date the Plan of Arrangement becomes effective.

1.1.12 "**Exchange**" means the Canadian Securities Exchange.

1.1.13 "**Final Order**" means the final order of the Court approving the Arrangement pursuant to the BCA.

1.1.14 "**holder**", when not qualified by the adjective "**registered**", means the person entitled to a share hereunder whether or not registered or entitled to be registered in respect thereof in the register of Shareholders of Cannabix or Torino, as the case may be.

1.1.15 “**Interim Order**” means the interim order to be obtained from the Court, providing for a special meeting of the Common Shareholders to consider and approve the Arrangement and for certain other procedural matters as well as for the issue of a notice of hearing for the Final Order.

1.1.16 “**ITA**” means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.

1.1.17 “**Meeting**” means the annual and special meeting of shareholders which will be held to consider, among other matters, the Arrangement, and any adjournment thereof.

1.1.18 “**New Common Shares**” means the new common shares without par value in the capital of Cannabix to be issued as part of the Arrangement.

1.1.19 “**Property**” means the Hazeur Property, and all assets related thereto, to be transferred by Cannabix to Torino on the Effective Date with a deemed value of $152,230.

1.1.20 “**PUC**” means “paid-up capital” as defined in subsection 89(1) of the ITA.

1.1.21 “**Plan of Arrangement**” means this plan of arrangement, as it may be amended from time to time in accordance with section 6.1 of the Arrangement Agreement.

1.1.22 “**Shareholders**” means those persons who, as at the close of business on the Effective Date, are registered holders of Common Shares.

1.1.23 “**Torino**” means Torino Ventures Inc., a private company incorporated under the BCA to facilitate the Arrangement.

1.1.24 “**Torino Common Share**” means the common shares without par value which Torino is authorized to issue.

1.1.25 “**Torino Working Capital**” means the sum of $10,000.

1.1.26 “**Transfer Agent**” means TMX Equity Transfer Services Inc.

1.2 Headings

The division of this Plan of Arrangement into articles, sections, subsections and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “**this Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or other part hereof. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections, subsections and paragraphs are to articles, sections, subsections and paragraphs of this Plan of Arrangement.

1.3 Extended Meanings

In this Plan of Arrangement, words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include individuals, partnerships, associations, firms, trusts, unincorporated organizations and corporations.

1.4 Currency

All references to currency herein are to lawful money of Canada unless otherwise specified herein.

2. ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provision of the Arrangement Agreement.

3. SUMMARY OF THE ARRANGEMENT

3.1 Summary

3.1.1 This Arrangement is being effected as an arrangement pursuant to Section 288 of the BCA.

3.1.2 All holders of Common Shares, except for dissenting holders of Common Shares, will exchange each Common Share for one New Common Share and one Class 1 Reorganization Share.

3.1.3 All Class 1 Reorganization Shares will be sold and transferred to Torino for consideration consisting solely of Torino Common Shares in accordance with the Torino Reorganization Ratio.

3.1.4 All of the Class 1 Reorganization Shares owned by Torino will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Cannabix to Torino of the Property and theTorino Working Capital, and the Class 1 Reorganization Shares will be cancelled.

3.1.5 Shareholders may dissent in relation to the resolution to approve the Arrangement pursuant to the provisions of the Interim Order and sections 237 to 247 of the BCA.

3.1.6 The exchange of Common Shares for New Common Shares and Class 1 Reorganization Shares; the sale and transfer of the Class 1 Reorganization Shares to Torino in consideration of the issuance of Torino Common Shares and the redemption of the Class 1 Reorganization Shares and the transfer of the Property and the Torino Working Capital to Torino will all occur on the Effective Date, in the order set out herein.

4. THE ARRANGEMENT

4.1 The Arrangement

On the Effective Date, the following will occur and be deemed to occur in the following order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Cannabix or of Torino, but subject to the provisions of Article 5:

4.1.1 The articles of Cannabix will be amended to authorize Cannabix to issue an unlimited number of Common Shares (to be re-designated as "**Pre-arrangement common shares**" in the amended articles), an unlimited number of New Common Shares (to be designated as "**Common shares**" in the amended articles) and an unlimited number of Class 1 Reorganization Shares (to be designated as "**Class 1 Reorganization Shares**" in the amended articles) and an unlimited number of preferred shares (to be designated as "**Preferred Shares**" in the amended articles,

with the special rights and restrictions substantially in the form as set out in Exhibit 2 to the Arrangement Agreement attached hereto.

4.1.2 Each issued and outstanding Common Share, except those referred to in section 5.1, will be exchanged for one New Common Share and one Class 1 Reorganization Share. In connection with such exchange:

(a) The issue price for each Class 1 Reorganization Share will be an amount equal to the fair market value, as determined by the Directors, of one Class 1 Reorganization Share immediately following the exchange provided for in this subsection.

(b) The Company will add to the stated capital account maintained by it for the Class 1 Reorganization Shares the lesser of the issue price thereof and $162,230.

(c) The issue price for each New Common Share will be an amount equal to the difference between (i) the fair market value for the Common Share for which it was, in part, exchanged immediately prior thereto and (ii) the amount determined in section 4.1.2(a) hereof.

(d) The Company will add to the stated capital account maintained by it for the New Common Shares an amount equal to the amount by which the PUC of the Common Shares, immediately before the exchange, exceeds the stated capital account of the Class 1 Reorganization Shares, as determined above.

(e) The amounts to be added to the stated capital accounts maintained by the Company for the New Common Shares and Class 1 Reorganization Shares shall, notwithstanding paragraph 4.1.2(b) above, not exceed the PUC of the Common Shares at the time of the exchange.

(f) Each Shareholder will cease to be the holder of the Common Shares so exchanged and will become the holder of New Common Shares and Class 1 Reorganization Shares issued to such Shareholder. The name of such Shareholder will be removed from the register of holders of Common Shares with respect to the Common Shares so exchanged and will be added to the registers of the holders of New Common Shares and Class 1 Reorganization Shares as the holder of the number of New Common Shares and Class 1 Reorganization Shares, respectively, so issued to such Shareholder.

4.1.3 No share certificate representing the Class 1 Reorganization Shares issued pursuant to 4.1.2(a) will be issued. The New Common Shares to be issued pursuant to paragraph 4.1.2(c) will be evidenced by the existing share certificates representing the Common Shares which will be deemed for all purposes thereafter to be certificates representing New Common Shares to which the holder is entitled pursuant to the Arrangement, and no share certificates representing such New Common Shares will be issued to the Common Shareholders.

4.1.4 The Common Shares exchanged for New Common Shares and Class 1 Reorganization Shares pursuant to section 4.1.2 will be cancelled.

4.1.5 Each Shareholder will sell and transfer all of its Class 1 Reorganization Shares to Torino for consideration consisting solely of Torino Common Shares issued by Torino in accordance with

the Torino Reorganization Ratio for the Class 1 Reorganization Shares so transferred. In connection with such sale and transfer:

(a) The issue price for each Torino Common Share will be an amount equal to the fair market value of the fractional Class 1 Reorganization Share for which it was issued as consideration.

(b) Each holder of Class 1 Reorganization Shares so sold will cease to be the holder of the Reorganization Shares so sold and transferred and will become the holder of Torino Common Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 1 Reorganization Shares with respect to the Class 1 Reorganization Shares so sold and transferred and will be added to the register of holders of Torino Common Shares as the holder of the number of Torino Common Shares so issued to such holder, and Torino will be and will be deemed to be the transferee of Class 1 Reorganization Shares so transferred and the name of Torino will be entered in the register of holders of Class 1 Reorganization Shares as the holder of the number of Class 1 Reorganization Shares so sold and transferred to Torino.

4.1.6 All of the Class 1 Reorganization Shares owned by Torino will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Cannabix to Torino of the Property and the Torino Working Capital and the Class 1 Reorganization Shares will be cancelled.

5. RIGHT TO DISSENT

5.1 Right to Dissent

A Shareholder may exercise dissent rights ("**Dissent Rights**") conferred by the Interim Order in connection with the Arrangement in the manner set out in Section 238 of the BCA, as modified by the Interim Order, provided the Notice of Dissent is received by the Company by no later than 11:00 a.m. (Vancouver time) on February 13, 2015. Without limiting the generality of the foregoing, Shareholders who duly exercise such Dissent Rights will be deemed to have transferred such Common Shares, as of the Effective Date, without any further act or formality, to the Company in consideration of their entitlement to be paid the fair value of the Common Shares under the Dissent Rights.

6. CERTIFICATES

6.1 Entitlement to Share Certificates

As soon as practicable after the Effective Date, Torino will cause the Transfer Agent to deliver share certificates representing in the aggregate the Torino Common Shares to the holders of the Common Shares following the Arrangement.

6.2 Use of Postal Services

Any certificate which any person is entitled to receive in accordance with this Plan of Arrangement will (unless the Transfer Agent has received instructions to the contrary from or on behalf of such person prior to the Effective Date) be forwarded by first class mail, postage prepaid, or in the case of postal disruption in Canada, by such other means as the Transfer Agent may deem prudent.

7. AMENDMENT AND TERMINATION

7.1 Amendment and Termination

7.1.1 The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement made following the Meeting must be contained in a written document which is filed with the Court and if required by the Court, approved by the Court and communicated to Shareholders in the manner required by the Court (if so required).

7.1.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

7.1.3 Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Parties (acting reasonably) and, if required by the Court, approved by Shareholders voting in the manner directed by the Court.

7.1.4 This Plan of Arrangement may be withdrawn prior to the Effective Date in accordance with the terms of the Agreement.

Exhibit 2
TO THE ARRANGEMENT AGREEMENT

SPECIAL RIGHTS AND RESTRICTIONS

24.1 Pre-Arrangement Common shares

The following special rights and restrictions are attached to the Pre-Arrangement Common shares:

(a) Voting. The holders of the Pre-Arrangement Common shares are entitled to receive notice of and to attend at and to vote in person or by proxy at any general meetings of the shareholders of the Company, and are entitled to cast one vote for each Pre-Arrangement Common share held.

(b) Discretionary dividends. Subject to the *Business Corporations Act* and to the rights of the holders of Preferred shares and Class 1 Reorganization shares, the holders of the Pre-Arrangement Common shares are entitled to dividends at such times and in such amounts as the directors may in their discretion from time to time declare. The declaration of dividends on Pre-Arrangement Common shares will in no way obligate the Company or the directors to declare dividends on any other class of shares. No dividends shall be declared or paid on the Pre-Arrangement Common shares if to do so would impair the ability of the Company to redeem any issued Class 1 Reorganization shares.

(c) Participating upon dissolution. In the event of the liquidation or dissolution of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Pre-Arrangement Common shares will be entitled, after payment of all amounts due to holders of the Class 1 Reorganization shares, Preferred shares and Common shares as provided for in these articles, to participate rateably with the holders of the Common shares in the distribution of all of the remaining property and assets of the Company.

24.2 Common shares

The following special rights and restrictions are attached to the Common shares:

(a) Voting. The holders of the Common shares are entitled to receive notice of and to attend at and to vote in person or by proxy at any general meetings of the shareholders of the Company, and are entitled to cast one vote for each Common share held.

(b) Discretionary dividends. Subject to the *Business Corporations Act* and to the rights of the holders of Preferred shares and Class 1 Reorganization shares, the holders of the Common shares are entitled to dividends at such times and in such amounts as the directors may in their discretion from time to time declare. The declaration of dividends on Common shares will in no way obligate the Company or the directors to declare dividends on any other class of shares. No dividends shall be declared or paid on the Common shares if to do so would impair the ability of the Company to redeem any issued Class 1 Reorganization shares.

(c) Participating upon dissolution. In the event of the liquidation or dissolution of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Common shares will be entitled, after payment of all amounts due to holders of the Preferred shares and Class 1 Reorganization shares as provided for in these articles, and before payment of any amounts due to the holders of the Pre-Arrangement Common shares as provided for in these articles, to the amount paid up in respect of each Common share, and after such payment the holders of the Common shares will be entitled to participate rateably with the holders of the Pre-Arrangement Common shares in the distribution of all of the remaining property and assets of the Company.

24.3 Preferred Shares

The following special rights and restrictions are attached to the Preferred shares:

(a) Non-voting. Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Preferred shares by the directors, holders of Preferred shares shall not be entitled, as such, to receive notice of, or to attend or vote at, any general meeting of shareholders of the Company.

(b) No dividends. No dividend shall be declared or paid at any time on the Preferred shares.

(c) Issuable in Series. The Preferred shares may include one or more series and, subject to the *Business Corporations Act*, the directors may, by resolution, if none of the shares of any particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

(i) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination;

(ii) create an identifying name for the shares of that series, or alter any such identifying name; and

(iii) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

(d) Limited Preferred entitlement on dissolution. In the event of a liquidation or dissolution of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Preferred shares will be entitled, before any distribution or payment of any amounts due to holders of the Pre-Arrangement Common shares and Common shares as provided for in these articles, but after any distribution or payment of any amounts due to holders of the Class 1 Reorganization shares as provided for in these articles, to receive the amount paid up with respect to each Preferred share held by them, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-

cumulative dividends (if any and if preferential) thereon. After payment to the holders of the Preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company, except as specifically provided in the special rights and restrictions attached to any particular series.

24.4 Class 1 Reorganization Shares

The following special rights and restrictions are attached to the Class 1 Reorganization shares:

(a) Non-voting. The holders of the Class 1 Reorganization shares are not, as such, entitled to receive notice of or to attend or to vote at any general meetings of the shareholders of the Company.

(b) No dividends. No dividend shall be declared or paid at any time on the Class 1 Reorganization shares.

(c) Redemption Amount. The "**Redemption Amount**" of each Class 1 Reorganization share will be Cdn$162,230 divided by the number of Class 1 Reorganization shares issued and outstanding on the effective date of the arrangement as contemplated in the Arrangement Agreement dated January 5, 2015 between the Company and Torino Ventures Inc., payable in cash, promissory note, assets with a deemed value as determined by the board of directors of the Company, or any combination thereof.

(d) Redemption Price. The "**Redemption Price**" for each Class 1 Reorganization share shall be the Redemption Amount thereof.

(e) Redeemable. The Company may at any time redeem any Class 1 Reorganization share in accordance with the rules and procedures in Article 24.6 by paying to the holder thereof the Redemption Price thereof.

(f) Retractable. Any holder of a Class 1 Reorganization share may, in accordance with the rules and procedures in Article 24.7, require the Company at any time to redeem the whole or any part of the Class 1 Reorganization shares held by such holder by payment of the Redemption Price for each Class 1 Reorganization share to be redeemed.

(g) Limited preferred entitlement on dissolution. In the event of a liquidation or dissolution of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Class 1 Reorganization shares will be entitled, before any distribution or payment of any amounts due to holders of the Pre-Arrangement Common shares, Common shares and Preferred shares as provided for in these articles, to receive the Redemption Price for each Class 1 Reorganization share held, and after such payment will not as such be entitled to participate in any further distribution of property or assets of the Company.

24.5 Procedure for redemption of shares

In the event the Company wishes to redeem one or more shares of a class in respect of which redemption by the Company is permitted under these articles (the "**Redeemable Shares**"):

(a) the Company shall give notice of redemption to each person who at the date of the notice is a holder of a Redeemable Share that is to be redeemed;

(b) a notice of redemption shall specify the date on which the redemption is to take place, the Redemption Price, and the number of Redeemable Shares to be redeemed from the holder to whom the notice is addressed;

(c) on or after the date specified for redemption, the Company shall, on the holder's presentation and surrender to the Company of all certificates representing the Redeemable Shares to be redeemed, pay or cause to be paid to or to the order of the holder of such shares the Redemption Price therefor;

(d) upon payment of the Redemption Price in respect of the Redeemable Shares to be redeemed as provided in paragraph (c), such shares will be redeemed and any certificate representing the shares will be cancelled;

(e) after the date specified for redemption, the holder of a Redeemable Share to be redeemed will not be entitled to exercise any of the rights of a shareholder in respect of that share unless payment of the Redemption Amount is not made on presentation of the certificate for that share in accordance with paragraph (c), in which case the rights of such holder will remain unaffected;

(f) if the holder of a Redeemable Share to be redeemed fails to present and surrender the certificate representing such share within 15 days after the date specified for the redemption, the Company may deposit the Redemption Price for such share to a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of such holder upon presentation and surrender to such bank or trust company of the certificate, and upon the making of such deposit every share in respect of which the deposit is made will be deemed to be redeemed and the rights of the holder thereof will be limited to receiving without interest the Redemption Price thereof against presentation and surrender of that certificate;

(g) the holder of a Redeemable Share may by instrument in writing waive notice of redemption of such share; and

(h) where a notice of redemption has been given, no transfer of any Redeemable Share specified in such notice may be made by the holder of such share unless the holder's rights with respect to that share have been restored under paragraph (e).

24.7 Procedure for retraction of shares

In the event any holder of one or more shares of a class in respect of which a holder may require the Company to redeem such shares (collectively, the "**Retractable Shares**") wishes to exercise such right:

(a) the holder shall, at least 90 days before the date specified for redemption, give written notice of retraction to the Company at its registered office;

(b) a notice of retraction shall specify the date on which the redemption is to take place and the number and Class of Retractable Shares held by the holder to be redeemed;

(c) on or after the date specified for redemption, the Company shall, on the holder's presentation and surrender to the Company of all certificates representing the Retractable Shares to be redeemed, pay or cause to be paid to or to the order of the holder of such shares the Redemption Price therefore;

(d) if the holder requiring the redemption fails to present and surrender the certificate representing any Retractable Shares to be redeemed on the date specified for the redemption, the Company may deposit the Redemption Price for such shares to a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of such holder upon presentation and surrender to such bank or trust company of the certificate representing such Retractable Shares, and upon the making of such deposit the Retractable Shares in respect of which the deposit is made will be deemed to be redeemed and the rights of the holder of such shares will be limited to receiving without interest the Redemption Price thereof against presentation and surrender of the certificate representing such shares; and

(e) where a notice of retraction has been given, no transfer of any Retractable Share specified in such notice may be made by the holder of such share.

SCHEDULE C

PETITION

Form 66 (Rules 16-1(2) and 21-5(14))

No. S-
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT
AMONG CANNABIX TECHNOLOGIES INC., TORINO VENTURES INC. AND
THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

CANNABIX TECHNOLOGIES INC.

PETITIONER

PETITION TO THE COURT

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this Petition, you or your lawyer must

(a) file a Response to Petition in Form 67 in the above-named registry of this court within the time for response to Petition described below, and

(b) serve on the Petitioner

(i) 2 copies of the filed Response to Petition, and

(ii) 2 copies of each filed Affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.

Time for Response to Petition

A Response to Petition must be filed and served on the Petitioner,

(a) if you were served with the Petition anywhere in Canada, within 21 days after that service,

(b) if you were served with the Petition anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the Petition anywhere else, within 49 days after that service, or

(d) if the time for Response has been set by order of the court, within that time.

(1)	The address of the registry is:	800 Smithe Street Vancouver, BC, V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the Petitioner is: Fax number address for service (if any) of the Petitioner: E-mail address for service (if any) of the Petitioner:	Lucya Kowalewski **Clark Wilson LLP** 900 – 885 West Georgia Street Vancouver, BC V6C 3H1 (Direct Number: 604.643.3114) 604.687.6314 N/A
(3)	The name and office address of the Petitioner's lawyer is:	Lucya Kowalewski **Clark Wilson LLP** 900 – 885 West Georgia Street Vancouver, BC V6C 3H1 (Direct Number: 604.643.3114)

CLAIM OF THE PETITIONER

PART 1 ORDERS SOUGHT

1. The Petitioner, Cannabix Technologies Inc. ("**Cannabix**"), seeks:

(a) An Order (the "**Interim Order**") in the form attached as Schedule "A" to this Petition to the Court; and

(b) An Order (the "**Final Order**") in the form attached as Schedule "B" to this Petition to the Court.

PART 2 FACTUAL BASIS

General

2. For the purposes of this Petition to the Court, all capitalized terms not otherwise defined herein shall have the meanings set out in the draft Management Information Circular (collectively, the "**Draft Circular**"), attached as Exhibit "A" to the 1st Affidavit of Ravinder S. Mlait sworn January 12, 2015 (the

"**Mlait Affidavit**"), prepared in contemplation of the annual and special general meeting of the holders (the "**Cannabix Shareholders**") of the Common Shares of Cannabix (the "**Cannabix Shares**").

The Parties

3. Cannabix is a company incorporated under the British Columbia Business Corporations Act, S.B.C. 2002, C-57 (the "***BCBCA***"). The Cannabix Shares are listed and traded on the Canadian Securities Exchange (the "**CSE**") under the symbol "BLO". Cannabix is primarily a technology company that is developing and commercializing the Cannabix Marijuana Breathalyzer. Cannabix also holds a 100% interest in an exploration-stage mineral property known as the Hazeur Property located in Quebec, Canada (the "**Property**"). The head office and registered records office of Cannabix is located at 7934 Government Road, Burnaby, British Columbia V5A 2E2.

4. Torino Ventures Inc. ("**Torino**") is a private company incorporated under the BCBCA. Torino currently has no assets and was incorporated solely for the purpose of the proposed plan of arrangement (the "**Arrangement**"). The head office and registered office of Torino is located at 7934 Government Road, Burnaby, British Columbia V5A 2E2. As of the date hereof, Torino has one (1) common share issued and outstanding (each, a "**Torino Common Share**"). Cannabix currently holds the one Torino Common Share outstanding which is anticipated to be repurchased by Torino on or prior to the effective date of the Arrangement (the "**Effective Date**") and returned to treasury.

The Arrangement

5. On January 5, 2015, Cannabix and Torino entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which, amongst other things, Cannabix agreed to transfer the Property and $10,000 cash to Torino in consideration for the issuance of 8,000,000 Torino Common Shares (or 100% of the issued and outstanding Torino Common Shares) on the Effective Date and to distribute these Torino Common Shares to the Cannabix Shareholders on a pro-rata basis pursuant to the Plan of Arrangement under the BCBCA. On the Effective Date, Torino will become a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba. Under the terms of the Arrangement, Cannabix will restructure on the following basis:

(a) each issued and outstanding Cannabix Share will be exchanged for one new common share of Cannabix (each, a "**New Common Share**") and one Class 1 Reorganization Share of Cannabix;

(b) all of the Class 1 Reorganization Shares will be transferred by Cannabix Shareholders to Torino in exchange for 8,000,000 Torino Common Shares to be issued to the Cannabix Shareholders on a *pro-rata* basis in accordance with the Torino reorganization ratio, which will be calculated on the basis of 8,000,000 Torino Common Shares to be issued divided by the number of Class 1 Reorganization Shares issued (the "**Torino Reorganization Ratio**"); and

(c) Cannabix will redeem all of the Class 1 Reorganization Shares by the transfer to Torino of the Property and $10,000 of working capital.

6. Cannabix has deemed the value of the Property to be equal to $152,230, consisting of the property acquisition cost of $22,800 (comprised of 300,000 Cannabix Shares issued at a deemed value of $0.05 per Cannabix Share and $7,800 cash) and exploration expenditures of $129,430 that Cannabix has

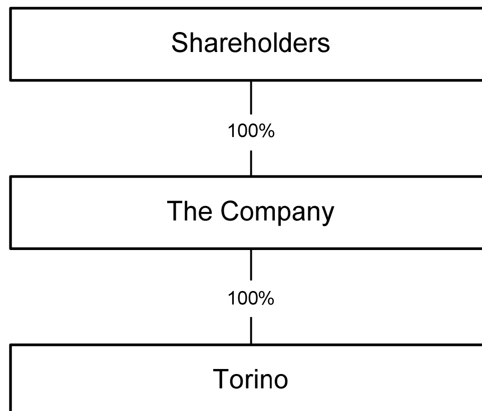
incurred to date on the Property. The aggregate value of the assets being transferred to Torino in consideration for the redemption of the Class 1 Reorganization Shares is $162,230.

7. Pursuant to the Arrangement, and on the Effective Date, Cannabix Shareholders will end up holding the same number of New Common Shares in Cannabix and, through a series of steps, a lesser number of Torino Common Shares based on the Torino Reorganization Ratio. Torino will hold the Property and $10,000 of working capital transferred to it by Cannabix and Cannabix will retain its remaining technology based assets and working capital.

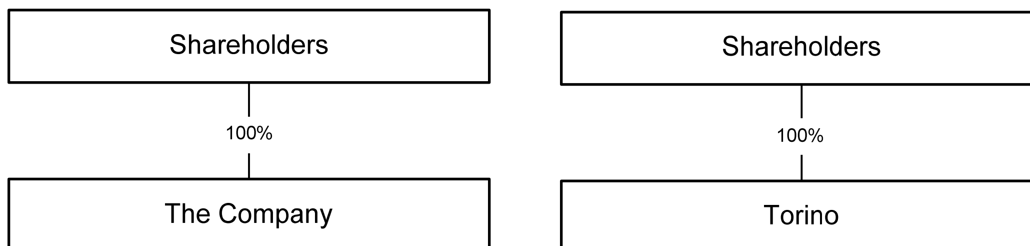
8. The purpose of the Arrangement is to restructure Cannabix and separate its two distinct businesses by transferring or "spinning-out" the Property and mineral exploration business into Torino. By separating the mineral exploration business into a new company, Cannabix will be able to focus on its primary existing technology business, namely the development and commercialization of the Cannabix Marijuana Breathalyzer.

9. The following diagram sets forth the corporate structure of Cannabix before and after the completion of the Arrangement:

(a) Corporate structure prior to the Arrangement:



(b) Corporate structure immediately following completion of the Arrangement:



10. The Arrangement is more particularly described in the Arrangement Agreement and the plan of arrangement (the "**Plan of Arrangement**"), as set forth in Schedule B to the Draft Circular and attached as Exhibit "A" to the Mlait Affidavit.

Reasons for the Arrangement

11. During December 2014 and early January 2015, the board of directors of Cannabix (the "Cannabix Board") considered an arrangement to restructure Cannabix, which would provide Cannabix Shareholders an opportunity to obtain an ownership position in a new company and a reporting issuer in British Columbia, Alberta and Manitoba. Furthermore, the Cannabix Board considered this structure as a way for Cannabix to create shareholder value and attract investment opportunities during a time where the junior markets are undergoing various economic challenges.

12. On January 5, 2015, the Cannabix Board unanimously determined that the Arrangement was fair to, and in the best interests of, Cannabix and the Cannabix Shareholders.

13. The decision of the Cannabix Board to approve the Arrangement for submission to the Cannabix Shareholders and to the Court was reached after consideration of a number of factors, including the following benefits:

(a) under the terms of the Arrangement, all participating Cannabix Shareholders will be treated equally;

(b) the Arrangement will benefit Cannabix Shareholders generally through providing them with ownership positions in:

(i) Torino, a new company that is intended to be a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba on the Effective Date, which will hold the Property and $10,000 in cash as working capital, and

(ii) a continuing interest in Cannabix, which is retaining ownership of its current technology business and remaining working capital;

(c) the Cannabix Board believes that the proposed Arrangement will: (i) allow the respective management teams and boards to concentrate their time and efforts on their respective and distinct businesses, (ii) allow the capital markets, investors and shareholders to evaluate the respective businesses within their respective peer groups, (iii) better attract financing and investment, (iv) allow management to utilize available funds in a more efficient and strategic manner without having to advance two very distinct business segments; and (v) attract key management and directors with specialized expertise in the respective businesses;

(d) the Cannabix Board anticipates that the Arrangement will benefit Cannabix through positive investor attention and increased financing and investment opportunities to raise capital at a time when junior markets are faced with various economic challenges;

(e) the Arrangement must be approved by two-thirds of the votes cast at the Meeting by Cannabix Shareholders and by the Court which, Cannabix is advised, will consider, among other things, the fairness of the Arrangement to Cannabix Shareholders; and

(f) the availability of rights of dissent to registered Cannabix Shareholders with respect to the Arrangement.

14. The foregoing is a non-exhaustive list of beneficial factors that were considered and given weight by the Cannabix Board in connection with the Arrangement.

15. The Cannabix Board further considered the following non-exhaustive list of risks in connection with the Arrangement:

(a) *There can be no certainty that all conditions precedent to the Arrangement will be satisfied*. The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Cannabix, including receipt of the Final Order and approval of the CSE;

(b) *The market price for the Cannabix Shares may decline*. If the Arrangement is not approved by the Cannabix Shareholders, the market price of the Cannabix Shares may decline to the extent that the current market price of the Cannabix Shares reflects a market assumption that the Arrangement will be completed; and

(c) *Conflicts of interest*. Certain directors and officers of Cannabix are also directors, officers, or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time.

16. On January 5, 2015, Cannabix disseminated a news release through the news wire services of TNW announcing the entry into the Arrangement Agreement under Cannabix's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

17. On January 5, 2015, Cannabix filed a Material Change Report regarding the entry into the Arrangement Agreement on SEDAR.

18. On January 6, 2015, Cannabix filed a copy of the Arrangement Agreement on SEDAR.

19. On January 7, 2015, Cannabix filed a technical report on SEDAR in accordance with National Instrument 43-101 which sets out technical and scientific information with respect to the Property.

Effect of the Arrangement

20. Pursuant to the Arrangement:

(a) Cannabix will alter its share capital by creating an unlimited number of New Common Shares and Class 1 Reorganization Shares, and will attach rights and restrictions to the New Common Shares and Class 1 Reorganization Shares;

(b) Each issued and outstanding Cannabix Share (other than Cannabix Shares held by Dissenting Shareholders) will be exchanged with Cannabix Shareholders for one New Common Share and one Class 1 Reorganization Share and the Cannabix Shares will be cancelled;

(c) All of the Class 1 Reorganization Shares will be transferred by Cannabix Shareholders to Torino in exchange for Torino Common Shares in accordance with the Torino Reorganization Ratio, which will be calculated on the basis of 8,000,000 Torino Common

Shares to be issued divided by the number of Class 1 Reorganization Shares issued. Torino will not issue any fractional Torino Common Shares, and any fractional Torino Common Shares resulting from the exchange will be cancelled; and

(d) Cannabix will redeem all of the Class 1 Reorganization Shares from Torino and will satisfy the redemption amount of such shares by the transfer to Torino of the Property and $10,000 of working capital.

21. As a result of the foregoing, on the Effective Date two companies will exist, Cannabix and Torino. Cannabix will continue to hold its existing technology business and remaining working capital. Torino will hold the Property and $10,000 of working capital, and the Cannabix Shareholders (other than Dissenting Shareholders) will own all New Common Shares and 8,000,000 Torino Common Shares, or all of the issued and outstanding Torino Common Shares.

22. Holders of options and warrants in Cannabix that do not duly exercise such securities on or prior to the record date of the Arrangement, will be unaffected by the Arrangement and will not be entitled to receive Torino Common Shares in connection with the Arrangement.

Procedures for the Arrangement Becoming Effective

23. The Arrangement is proposed to be carried out pursuant to Division 5 of Part 9 of the *BCBCA*. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement must be approved by the Cannabix Shareholders in the manner set forth in the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party; and

(d) all required regulatory approvals in respect of the completion of the Arrangement must be obtained, including without limitation, the approval of the CSE.

United States Securities Laws

24. Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "***1933 Act***") provides an exemption from the registration requirements of that statute for the issue of securities in exchange for other outstanding securities, where the terms and conditions of the issue and exchange are approved by a court of competent jurisdiction after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue such securities shall have the right to appear.

25. In order to ensure the securities issued to the Cannabix Shareholders, who are resident in the United States of America, pursuant to the Arrangement be exempt from the registration requirements of the *1933 Act*, it is necessary that:

(a) the Court is advised of the intention of the parties to rely on section 3(a)(10) of the *1933 Act* prior to the hearing required to approve the Arrangement;

(b) the Interim Order approving the relevant meeting or meetings to approve the Arrangement specify that Cannabix Shareholders will have the right to appear before the court, so long as the Cannabix Shareholders file a Response to Petition within a reasonable time as set out in the Interim Order;

(c) all Cannabix Shareholders be given adequate notice advising them of their rights to attend the hearing of the Court to approve the Arrangement Resolution and given sufficient information necessary for them to exercise that right, and there is no improper impediments to the appearance of those persons at the hearing;

(d) the Court satisfies itself as to the fairness of the Arrangement to the Cannabix Shareholders;

(e) the Court determines, prior to approving the Final Order, that the terms and conditions of the exchanges of securities comprising the Arrangement are substantively and procedurally fair to the Cannabix Shareholders; and

(f) the order of the Court approving the Arrangement expressly states that the Arrangement is approved by the Court as being substantively and procedurally fair to the Cannabix Shareholders.

26. Cannabix has shareholders in the United States of America. Since the completion of the Arrangement involves issuances of securities to Cannabix Shareholders in the United States of America, Cannabix hereby gives notice to the Court of its intention to rely on section 3(a)(10) of the *1933 Act* in completing the Arrangement based on the Court's approval of the Arrangement.

27. Cannabix Shareholders to whom securities will be issued under the Arrangement shall receive such securities in reliance on the exemption from the registration requirements of the *1933 Act* contained in section 3(a)(10) thereof, based on the Court's approval of the Arrangement.

PART 3 LEGAL BASIS

1. Pursuant to section 288(1) of the *BCBCA*, a company may propose an arrangement with shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate, including a proposal for one or more of the following:

(a) an alteration to the memorandum, notice of articles or articles of the company

(…)

(g) an exchange of securities of the company held by security holders for money, securities or other property, rights and interests of the company or for money, securities or other property, rights and interests of another corporation;

2. The Arrangement constitutes an "arrangement" under the *BCBCA*: see s. 288 of the *BCBCA* and *Protiva Biotherapeutics Inc. v. Inex Pharmaceuticals Corp*, 2006 BCSC 1729 at paras. 20-27.

3. Before an arrangement proposed under section 288(1) of the *BCBCA* takes effect, the arrangement must be:

(a) adopted in accordance with section 289; and

(b) approved by the court under section 291.

4. This process proceeds in three steps:

(a) the *first* step is an application for an interim order for directions for calling a security holders' meeting to consider and vote on the proposed arrangement. The first application proceeds ex parte because of the administrative burden of serving securityholders;

(b) the *second* step is the meeting of the securityholders, where the proposed arrangement is voted upon, and must be approved by a special resolution; and

(c) the *third* step is the application for final Court approval of the arrangement.

5. The final approval of the plan of arrangement should be granted if the Court is satisfied that:

(a) the statutory requirements have been met;

(b) the application has been put forward in good faith; and

(c) the arrangement is fair and reasonable: see *BCE Inc.*, 2008 SCC 69 at para. 137.

6. In order to determine whether an arrangement is fair and reasonable, a court must be satisfied that:

(a) the arrangement has a valid business purpose;

(b) and (b) the objections of those whose legal rights are being arranged are being resolved in a fair and balanced way: see *BCE Inc.*, *supra*, at para. 138.

7. The Court in BCE described a valid business purpose as follows:

> *The valid business purpose prong of the fair and reasonable analysis recognizes the fact that there must be a positive value to the corporation to offset the fact that rights are being altered. In other words, courts must be satisfied that the burden imposed by the arrangement on security holders is justified by the interests of the corporation. The proposed plan of arrangement must further the interests of the corporation as an ongoing concern.*
>
> *BCE* at para. 145

8. The Arrangement has a valid business purpose, as it will restructure Cannabix by creating an additional company, Torino, which will become a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba upon completion of the Arrangement. Cannabix Shareholders will own the same number of New Common Shares in Cannabix, and a lesser number of Torino Common Shares based upon the Torino Reorganization Ratio.

9. The Arrangement will provide access to additional financing sources available on publicly traded financial markets, such as the CSE. The Cannabix Board anticipates that the Arrangement will benefit Cannabix through positive investor attention and increased financing and investment opportunities to raise capital at a time when junior markets are faced with various economic challenges.

10. As for the second prong, courts have considered a variety of factors, depending on the nature of the case, to determine whether the objections of those whose legal rights are being arranged are being resolved in a fair and balanced way, including:

(a) whether a majority of security holders has voted to approve the arrangement;

(b) whether the plan has been approved by a special committee of independent directors;

(c) the access of shareholders to dissent and appraisal remedies *(BCE*, *supra*, at paras. 149, 150 and 152).

11. In this case:

(a) the majority of Cannabix Shareholders are expected to vote to approve the Arrangement;

(b) the security holders will receive the same number of New Common Shares in Cannabix and 8,000,000, or all of the issued and outstanding Torino Common Shares, at a deemed value of $0.02 per Torino Common Share;

(c) the Arrangement and the Arrangement Agreement were approved by the Cannabix Board;

(d) Cannabix considered the opportunities presented by the proposed Arrangement and Arrangement Agreement by providing an opportunity for Cannabix Shareholders to diversify their investment by receiving shares in two reporting issuers, namely Cannabix and Torino; and

(e) the Cannabix Shareholders have the right to dissent and to be paid the fair value of their Common Shares.

PART 4 MATERIAL TO BE RELIED ON

1. At the hearing of this Petition to the Court, Cannabix will rely upon:

(a) Affidavit #1 of Ravinder S. Mlait, made 12/Jan/2015; and

(b) such other documents as counsel may advise.

Cannabix estimates that the hearing of the Petition will take 15 minutes.

Date: 12/Jan/2015

____
Signature of Lawyer for Petitioner
Lawyer: Lucya Kowalewski

This PETITION TO THE COURT is prepared by Lucya Kowalewski of the firm of **Clark Wilson LLP** whose place of business is 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 (Direct #: 604.643.3114, Fax #: 604.687.6314, Email: ljk@cwilson.com) (File #: 38348-0004).

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs __________ of Part 1 of this Petition

☐ with the following variations and additional terms:

____

____

____

Date: ____________________ ____________________
[dd/mmm/yyyy] Signature of ☐ Judge ☐ Master

Schedule "A"

Form 35 (Rules 8-4(1), 13-1(3) and 17-1(2))

No. S-
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT
AMONG CANNABIX TECHNOLOGIES INC., TORINO VENTURES INC. and
THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

CANNABIX TECHNOLOGIES INC.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE	)))	THE HONOURABLE JUSTICE	)))	13/Jan/2015

ON THE APPLICATION of the Petitioner, Cannabix Technologies Inc. ("**Cannabix**"), without notice, for an interim order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c-57 ("***BCBCA***") coming on for hearing at Vancouver, B.C. on 13/Jan/2015 and on hearing Lucya Kowalewski, counsel for the Petitioner, and on reading the 1st Affidavit of Ravinder S. Mlait sworn January 12, 2015 (the "**Mlait Affidavit**") filed herein.

THIS COURT ORDERS that:

I. DEFINITIONS

1. As used in this Interim Order Made After Application (the "**Interim Order**"), unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft Management Information Circular of Cannabix (the "**Draft Circular**") attached as Exhibit "A" to the Mlait Affidavit.

II. THE MEETING

2. Pursuant to the BCBCA and the articles of incorporation, Cannabix is authorized to call, hold and conduct an annual and special general meeting (the "Meeting") of the holders (the "Cannabix

Shareholders") of the common shares of Cannabix (the "Cannabix Shares"), to be held at Clark Wilson LLP, 900 – 885 W. Georgia Street, V6C 3H1, on February 17, 2015, at 11:00 a.m. (Vancouver time) for the following purposes:

(a) to receive the financial statements of Cannabix for the fiscal year ended April 30, 2014, and the report of the auditors thereon;

(b) to set the number of directors for the ensuing year at five (5);

(c) to elect directors;

(d) to appoint auditors and to authorize the directors to fix the remuneration of the auditors;

(e) to consider and, if thought deemed advisable, pass, with or without variation, a resolution approving Cannabix's incentive stock option plan, as more particularly described in the Draft Circular;

(f) to consider, pursuant to the Interim Order of the Supreme Court of British Columbia to be obtained by Cannabix and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Schedule A to the Draft Circular, which is attached as Exhibit "A" to the Mlait Affidavit, to approve the Arrangement under Section 288 of the *BCBCA* involving Cannabix and Torino Ventures Inc. ("**Torino**"); and

(g) to transact such further and other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

3. The record date for the Meeting (the "**Record Date**") for determining the Cannabix Shareholders entitled to receive notice of, attend and vote at the Meeting shall be January 5, 2015, as approved by the board of directors of ROR (the "**Board of Directors**"), and shall not change in respect of any adjournment of the Meeting.

4. The Meeting shall be called, held and conducted in accordance with the *BCBCA*, the Draft Circular and the Cannabix articles of incorporation, subject to the terms of this Interim Order.

5. The only persons entitled to attend the Meeting shall be the Cannabix Shareholders as of the Record Date or their proxyholders, the Cannabix Board, auditors and advisors, and any other person admitted on invitation or consent of the Chair of the Meeting.

III. ADJOURNMENTS

6. Notwithstanding the provisions of the *BCBCA*, Cannabix, if it deems it so advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Cannabix Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by such method as Cannabix may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement,

or by notice sent to the Cannabix Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

7. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

IV. AMENDMENTS

8. Prior to or after the Meeting, Cannabix is authorized to make such amendments, revisions or supplements to the Arrangement in accordance with the Arrangement Agreement without any additional notice to the Cannabix Shareholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement and the subject of the Arrangement Resolution.

V. NOTICE OF MEETING

9. The Draft Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the *BCBCA*, and Cannabix shall not be required to send to the Cannabix Shareholders any other or additional statement pursuant to section 290(1)(a) of the *BCBCA*.

VI. METHOD OF DISTRIBUTION OF MEETING MATERIALS

10. The Draft Circular, the notice of the Meeting, the form of proxy and the voting instructions form (collectively referred to as the "**Meeting Materials**") with such deletions, amendments or additions thereto as counsel for Cannabix may advise as necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be distributed not later than twenty-one (21) days prior to the Meeting as follows:

(a) in the case of the registered Cannabix Shareholders, by unregistered mail, postage prepaid addressed to each registered Cannabix Shareholder at his/her last address on the books of Cannabix, mailed at least 21 days before the Meeting;

(b) in the case of the Cannabix Board and auditors of Cannabix, by pre-paid ordinary mail, by expedited parcel post, by email or by facsimile, by courier or by delivery in person, addressed to the individual directors and the auditors; and

(c) in the case of holders of the non-registered Cannabix Shares, by providing copies of the relevant portion of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

Compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by Cannabix to give notice to any one or more Cannabix Shareholders, directors or the auditors of Cannabix or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Cannabix (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order, or in relation to notice to the Cannabix Shareholders, the Cannabix Board or the auditors of Cannabix, a defect in the calling of the Meeting shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Cannabix then it shall use

reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. Provided that notice of the Meeting and the provision of the Meeting Materials to the Cannabix Shareholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the *BCBCA* to include certain disclosure in any advertisement of the Meeting is waived.

VII. DEEMED RECEIPT OF NOTICE and SERVICE OF PETITION

13. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received:

(a) in the case of mailing, when deposited in a post office or public letter box;

(b) when provided to intermediaries and registered nominees; and

(c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

14. Mailing of the Notice of Hearing with the Meeting Materials in accordance with paragraph 10 of this Interim Order shall be good and sufficient service of notice of the Petition to the Court and the Mlait Affidavit on all persons who are entitled to be served. No other form of service need be made. No other material need be served on such persons

VIII. UPDATING MEETING MATERIALS

15. Notice of any amendments, updates or supplements to any of the information provided in the Meeting Materials, if required, may be communicated to the Cannabix Shareholders by press release, news release, newspaper advertisement or by notice sent to the Cannabix Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

IX. QUORUM and VOTING

16. The quorum for the Meeting shall consist of at least 2 persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the Cannabix Shares.

17. The vote required to pass the Arrangement Resolution must, subject to further orders of the Court, be approved by no less than 66.7% (two-thirds) of the aggregate votes cast by the Cannabix Shareholders as at the Record Date, present in person or represented by proxy at the Meeting, with each Cannabix Shareholder having one vote for each Cannabix Share.

18. For the purposes of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Cannabix Shares represented by such spoiled votes, illegible votes, defective votes and abstentions shall not be counted in determining the number of Cannabix Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

19. In all other respects, the terms, restrictions and conditions of the Cannabix articles of incorporation will apply in respect of the Meeting.

X. SCRUTINEER

20. A representative of Cannabix's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

XI. SOLICITATION OF PROXIES

21. Cannabix is authorized to use proxies at the Meeting in accordance with the Cannabix articles of incorporation. Cannabix is authorized, at its own expense, to solicit proxies, directly and through its directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

22. The procedure for delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials.

XII. DISSENT RIGHTS

23. Cannabix Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Cannabix Shares in accordance with the provisions of sections 237 to 247 of the *BCBCA*. A dissenting shareholder who does not strictly comply with the dissent procedures set out in sections 237 to 247 of the *BCBCA* will be deemed to have participated in the Arrangement on the same basis as a non-dissenting shareholder.

24. A dissenting Cannabix Shareholder must send a written objection to the Arrangement Resolution (the "**Notice of Dissent**") to:

CANNABIX TECHNOLOGIES INC.
7934 Government Rd.
Burnaby, British Columbia V5A 2E2
Attention of: *Ravinder S. Mlait*

by 11:00 a.m. (Vancouver time) on February 13, 2015, or, in case of adjournment or postponement, no later than 11:00 a.m. (Vancouver time) on the day that is two business days before the reconvened Meeting.

XIII. APPLICATION FOR FINAL ORDER

25. Upon the approval, with or without variation, by the Cannabix Shareholders of the Arrangement, in the manner set forth in this Interim Order, Cannabix may apply to this Court for an Order:

(a) approving the Arrangement pursuant to section 291(4)(a) of the *BCBCA*; and

(b) declaring that the terms and conditions of the Arrangement are substantively and procedurally fair with respect to the Cannabix Shareholders pursuant to section 291(4)(c) of the *BCBCA*;

(collectively, the "**Final Order**") and that the hearing of the Final Order will be held on February 26, 2015, at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, B.C. or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

26. Any Cannabix Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any Cannabix Shareholder seeking to appear at the hearing of the application for the Final Order shall:

(a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and

(b) serve the filed Response to Petition on the Petitioners' solicitors at:

Clark Wilson LLP
Barristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, B.C. V6C 3H1
Attention: *Cam McTavish*

by or before 4:00 p.m. (Vancouver time) on February 6, 2015.

27. In the event that the hearing for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned hearing date

XIV. VARIANCE

28. Cannabix shall be entitled, at any time, to apply to vary this Interim Order.

29. Rules 8 and 16 of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

____

Signature of Lawyer for Cannabix Technologies Inc.
Lawyer: Lucya Kowalewski

BY THE COURT

____

Registrar

Schedule "B"

Form 35 (Rules 8-4(1), 13-1(3) and 17-1(2))

No. S-
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299
OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT
AMONG CANNABIX TECHNOLOGIES INC., TORINO VENTURES INC. and
THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

CANNABIX TECHNOLOGIES INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE	) THE HONOURABLE JUSTICE)	26/Feb/2015

ON THE APPLICATION of the Petitioner, Cannabix Technologies Inc., coming on for hearing at Vancouver, B.C. on 26/Feb/2015 and on hearing Lucya Kowalewski, counsel for the Petitioner, for a final order pursuant to Section 291 of the *Business Corporations Act* ("**BCBCA**"), and upon reading the materials and pleadings filed herein, and upon being advised that it is the intention of the Petitioner to rely on Section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), and that the declaration of the fairness, and the approval, of the Arrangement contemplated in the Plan of Arrangement by this Honourable Court will serve as a basis for an exemption from the registration requirement set out in the *1933 Act* for the distributions of securities contemplated in connection with the Arrangement, and no one else appearing;

THIS COURT ORDERS that:

1. Pursuant to the provisions of Section 291(4)(c) of the *BCBCA*, the Arrangement, as described in the Plan of Arrangement annexed to this Final Order Made After Application as Schedule "A", including the terms and conditions thereof, and the exchange of securities contemplated therein, is an arrangement, and DECLARES that the Plan of Arrangement is substantively and procedurally fair and reasonable to the security holders of the Petitioner.

2. The Arrangement, as described in the Plan of Arrangement annexed to this Final Order Made After Application as Schedule “A”, shall be and is hereby approved pursuant to the provisions of Section 291(4)(a) of the *BCBCA*.

3. The Petitioner shall be entitled, at any time, to seek leave to vary this Final Order Made After Application, to seek advice and direction of this Honourable Court as to the implementation of this Final Order Made After Application or to apply for such further order or orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

____

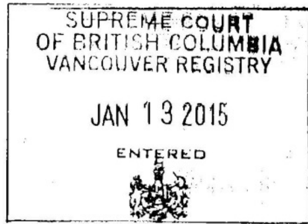
Signature of Lawyer for the Petitioner,
Cannabix Technologies Inc.
Lawyer: Lucya Kowalewski

BY THE COURT

____

Registrar

Schedule "C"



No. S-150241
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT
AMONG CANNABIX TECHNOLOGIES INC., TORINO VENTURES INC. AND
THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

CANNABIX TECHNOLOGIES INC.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE	THE HONOURABLE JUSTICE WITCHUK	13/Jan/2015

ON THE APPLICATION of the Petitioner, Cannabix Technologies Inc. ("**Cannabix**"), without notice, for an interim order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c-57 ("***BCBCA***") coming on for hearing at Vancouver, B.C. on 13/Jan/2015 and on hearing Lucya Kowalewski, counsel for the Petitioner, and on reading the 1st Affidavit of Ravinder S. Mlait sworn January 12, 2015 (the "**Mlait Affidavit**") filed herein.

THIS COURT ORDERS that:

I. DEFINITIONS

1. As used in this Interim Order Made After Application (the "**Interim Order**"), unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft Management Information Circular of Cannabix (the "**Draft Circular**") attached as Exhibit "A" to the Mlait Affidavit.

CW7853878.1

II. THE MEETING

2. Pursuant to the *BCBCA* and the articles of incorporation, Cannabix is authorized to call, hold and conduct an annual and special general meeting (the "**Meeting**") of the holders (the "**Cannabix Shareholders**") of the common shares of Cannabix (the "**Cannabix Shares**"), to be held at Clark Wilson LLP, 900 – 885 W. Georgia Street, V6C 3H1, on February 17, 2015, at 11:00 a.m. (Vancouver time) for the following purposes:

(a) to receive the financial statements of Cannabix for the fiscal year ended April 30, 2014, and the report of the auditors thereon;

(b) to set the number of directors for the ensuing year at five (5);

(c) to elect directors;

(d) to appoint auditors and to authorize the directors to fix the remuneration of the auditors;

(e) to consider and, if thought deemed advisable, pass, with or without variation, a resolution approving Cannabix's incentive stock option plan, as more particularly described in the Draft Circular;

(f) to consider, pursuant to the Interim Order of the Supreme Court of British Columbia to be obtained by Cannabix and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Schedule A to the Draft Circular, which is attached as Exhibit "A" to the Mlait Affidavit, to approve the Arrangement under Section 288 of the *BCBCA* involving Cannabix and Torino Ventures Inc. ("**Torino**"); and

(g) to transact such further and other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

3. The record date for the Meeting (the "**Record Date**") for determining the Cannabix Shareholders entitled to receive notice of, attend and vote at the Meeting shall be January 5, 2015, as approved by the board of directors of Cannabix (the "**Cannabix Board**"), and shall not change in respect of any adjournment to the Meeting.

4. The Meeting shall be called, held and conducted in accordance with the *BCBCA*, the Draft Circular and the Cannabix articles of incorporation, subject to the terms of this Interim Order.

5. The only persons entitled to attend the Meeting shall be the Cannabix Shareholders as of the Record Date or their proxyholders, the Cannabix Board, auditors and advisors, and any other person admitted on invitation or consent of the Chair of the Meeting.

III. ADJOURNMENTS

6. Notwithstanding the provisions of the *BCBCA*, Cannabix, if it deems it so advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Cannabix Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by such method as Cannabix may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement, or by notice sent to the Cannabix Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

7. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

IV. AMENDMENTS

8. Prior to or after the Meeting, Cannabix is authorized to make such amendments, revisions or supplements to the Arrangement in accordance with the Arrangement Agreement without any additional notice to the Cannabix Shareholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement and the subject of the Arrangement Resolution.

V. NOTICE OF MEETING

9. The Draft Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the *BCBCA*, and Cannabix shall not be required to send to the Cannabix Shareholders any other or additional statement pursuant to section 290(1)(a) of the *BCBCA*.

VI. METHOD OF DISTRIBUTION OF MEETING MATERIALS

10. The Draft Circular, the notice of the Meeting, the form of proxy and the voting instructions form (collectively referred to as the "**Meeting Materials**") with such deletions, amendments or additions thereto as counsel for Cannabix may advise as necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be distributed not later than twenty-one (21) days prior to the Meeting as follows:

(a) in the case of the registered Cannabix Shareholders, by unregistered mail, postage prepaid addressed to each registered Cannabix Shareholder at his/her last address on the books of Cannabix, mailed at least 21 days before the Meeting;

(b) in the case of the Cannabix Board and auditors of Cannabix, by pre-paid ordinary mail, by expedited parcel post, by email or by facsimile, by courier or by delivery in person, addressed to the individual directors and the auditors; and

(c) in the case of holders of the non-registered Cannabix Shares, by providing copies of the relevant portion of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

Compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by Cannabix to give notice to any one or more Cannabix Shareholders, directors or the auditors of Cannabix or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Cannabix (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order, or in relation to notice to the Cannabix Shareholders, the Cannabix Board or the auditors of Cannabix, a defect in the calling of the Meeting shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Cannabix then it shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. Provided that notice of the Meeting and the provision of the Meeting Materials to the Cannabix Shareholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the *BCBCA* to include certain disclosure in any advertisement of the Meeting is waived.

VII. DEEMED RECEIPT OF NOTICE and SERVICE OF PETITION

13. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received:

(a) in the case of mailing, when deposited in a post office or public letter box;

(b) when provided to intermediaries and registered nominees; and

(c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

14. Mailing of the Notice of Hearing with the Meeting Materials in accordance with paragraph 10 of this Interim Order shall be good and sufficient service of notice of the Petition to the Court and the Mlait Affidavit on all persons who are entitled to be served. No other form of service need be made. No other material need be served on such persons.

VIII. UPDATING MEETING MATERIALS

15. Notice of any amendments, updates or supplements to any of the information provided in the Meeting Materials, if required, may be communicated to the Cannabix Shareholders by press release, news release, newspaper advertisement or by notice sent to the Cannabix Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

IX. QUORUM and VOTING

16. The quorum for the Meeting shall consist of at least 2 persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the Cannabix Shares.

17. The vote required to pass the Arrangement Resolution must, subject to further orders of the Court, be approved by no less than 66.7% (two-thirds) of the aggregate votes cast by the Cannabix Shareholders as at the Record Date, present in person or represented by proxy at the Meeting, with each Cannabix Shareholder having one vote for each Cannabix Share.

18. For the purposes of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Cannabix Shares represented by such spoiled votes, illegible votes, defective votes and abstentions shall not be counted in determining the number of Cannabix Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

19. In all other respects, the terms, restrictions and conditions of the Cannabix articles of incorporation will apply in respect of the Meeting.

X. SCRUTINEER

20. A representative of Cannabix's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

XI. SOLICITATION OF PROXIES

21. Cannabix is authorized to use proxies at the Meeting in accordance with the Cannabix articles of incorporation. Cannabix is authorized, at its own expense, to solicit proxies, directly and through its directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

22. The procedure for delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials.

XII. DISSENT RIGHTS

23. Cannabix Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Cannabix Shares in accordance with the provisions of sections 237 to 247 of the *BCBCA*. A dissenting shareholder who does not strictly comply with the dissent procedures set out in sections 237 to 247 of the *BCBCA* will be deemed to have participated in the Arrangement on the same basis as a non-dissenting shareholder.

24. A dissenting Cannabix Shareholder must send a written objection to the Arrangement Resolution (the "**Notice of Dissent**") to:

CANNABIX TECHNOLOGIES INC.
7934 Government Rd.
Burnaby, British Columbia V5A 2E2
Attention of: *Ravinder S. Mlait*

by 11:00 a.m. (Vancouver time) on February 13, 2015, or, in case of adjournment or postponement, no later than 11:00 a.m. (Vancouver time) on the day that is two business days before the reconvened Meeting.

XIII. APPLICATION FOR FINAL ORDER

25. Upon the approval, with or without variation, by the Cannabix Shareholders of the Arrangement, in the manner set forth in this Interim Order, Cannabix may apply to this Court for an Order:

(a) approving the Arrangement pursuant to section 291(4)(a) of the *BCBCA*; and

(b) declaring that the terms and conditions of the Arrangement are substantively and procedurally fair with respect to the Cannabix Shareholders pursuant to section 291(4)(c) of the *BCBCA*;

(collectively, the "**Final Order**") and that the hearing of the Final Order will be held on February 26, 2015, at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, B.C. or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

26. Any Cannabix Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any Cannabix Shareholder seeking to appear at the hearing of the application for the Final Order shall:

(a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and

(b) serve the filed Response to Petition on the Petitioners' solicitors at:

Clark Wilson LLP
Barristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, B.C. V6C 3H1
Attention: *Cam McTavish*

by or before 4:00 p.m. (Vancouver time) on February 6, 2015.

27. In the event that the hearing for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned hearing date.

XIV. VARIANCE

28. Cannabix shall be entitled, at any time, to apply to vary this Interim Order.

29. Rules 8 and 16 of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner,
Cannabix Technologies Inc.
Lawyer: Lucya Kowalewski

BY THE COURT

S. Watchuk, J.

Registrar

✓ AS TO FORM

SCHEDULE D

NOTICE OF HEARING

No. **S-________**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG CANNABIX TECHNOLOGIES INC., TORINO VENTURES INC. and THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

CANNABIX TECHNOLOGIES INC.

PETITIONER

NOTICE OF HEARING OF PETITION

TO: THE SHAREHOLDERS OF CANNABIX TECHNOLOGIES INC.

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner, CANNABIX TECHNOLOGIES INC. ("**Cannabix**"), in the Supreme Court of British Columbia for approval of a plan of arrangement (the "**Plan of Arrangement**"), pursuant to the *Business Corporations Act*, S.B.C. 2002, Chapter 57, as amended;

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application of the Supreme Court of British Columbia, pronounced ***, 2015, the Court has given directions as to the calling of a special meeting of the holders of common shares of Cannabix (the "**Shareholders**") for the purpose of, among other things, considering, voting upon and approving the Plan of Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a Final Order approving the Plan of Arrangement shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on February 26, 2015, at 9:45 a.m. (Vancouver time), or so soon thereafter as counsel may be heard (the "**Final Application**").

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition in the form prescribed by the *Supreme*

Court Civil Rules and delivered a copy of the filed Response to Petition, together with all material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at the address for delivery set out below by or before 4:00 p.m. (Vancouver time) on ***, 2015.

The address for delivery is:

CLARK WILSON LLP
Barristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, B.C. V6C 3H1
Attention: Cam McTavish

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST file and deliver a Response to Petition as described above. You may obtain a form of Response to Petition at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Plan of Arrangement as presented, approve it subject to such terms and conditions as the Court deems fit or it may reject it. If the Plan of Arrangement is approved, it will significantly affect the rights of the security holders of Cannabix, including the Shareholders, the holders of options of Cannabix and the holders of warrants of Cannabix.

IF YOU DO NOT FILE A RESPONSE TO PETITION and attend either in person or by counsel at the time of such hearing, the Court may approve the Plan of Arrangement as presented, approve it subject to such terms and conditions as the Court shall deem fit or it may reject it, all without any further notice to you.

A copy of the said Petition and other documents in the proceedings will be furnished to any Shareholder upon request in writing addressed to the Petitioner at the address for delivery set out above.

DATED at Vancouver, British Columbia, this *** day of January, 2015.

____
Solicitors for the Petitioner,
Cannabix Technologies Inc.
Lucya Kowalewski

SCHEDULE E

PROCEDURE TO EXERCISE RIGHT OF DISSENT UNDER THE BCA

Pursuant to the Interim Order, Shareholders have the right to dissent to the Arrangement. Such right of dissent is described in the Circular. See "*Rights of Dissent*" for details of the right to dissent and the procedure for compliance with the right of dissent. The full text of Sections 237 to 247 of the BCA is set forth below. Note that certain provisions of Sections 237 to 247 have been modified by the Interim Order.

SECTIONS 237 TO 247 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE F

PRO FORMA FINANCIAL STATEMENTS FOR CANNABIX TECHNOLOGIES INC.

See Attached Document

CANNABIX TECHNOLOGIES INC.

Pro-Forma Financial Statements

(Unaudited – Prepared by Management)

October 31, 2014

(Expressed in Canadian dollars)

CANNABIX TECHNOLOGIES INC.
Pro-Forma Statement of Financial position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	October 31, 2014 $ (unaudited)	Note	Pro-Forma Adjustments $	Pro-Forma October 31, 2014 $
Assets				
Current assets				
Cash	683,426	2(a)	(15,606)	
		2(d)	(10,000)	657,820
Amounts receivable	36,084			36,084
Prepaid expenses	25,729			25,729
Total current assets	745,239			719,633
Non-current assets				
Intangible assets	497,812			497,812
Mineral property costs	22,800	2(d)	(22,800)	–
Total non-current assets	520,612			497,812
Total assets	1,265,851			1,217,445
Liabilities				
Current liabilities				
Accounts payable	44,714			44,714
Due to related parties	–			–
Flow-through premium liability	53,035			53,035
Total liabilities	97,749			97,749
Shareholders' Equity				
Share capital	2,325,321	2(d)	(152,230)	
		2(d)	(10,000)	2,163,091
Share subscriptions receivable	12,500			12,500
Contributed surplus	481,317			481,317
Deficit	(1,651,036)	2(a)	(15,606)	
		2(d)	129,430	(1,537,212)
Total shareholders' equity	1,168,102			1,119,696
Total liabilities and shareholders' equity	1,265,851			1,217,445

Basis of presentation (Note 1)
Pro-forma adjustments and assumptions (Note 2)

(The accompanying notes are an integral part of these pro-forma financial statements)

CANNABIX TECHNOLOGIES INC.
Pro-forma Statement of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital		Share subscriptions receivable	Contributed surplus	Deficit	Total
	Number of shares	Amount $	$	$	$	$
Balances, October 31, 2014	42,297,278	2,325,321	12,500	481,317	(1,651,036)	1,168,102
Exploration costs expensed since October 31, 2014 on the Hazeur property	–	–	–	–	(15,606)	(15,606)
Gain on transfer of the Hazeur property to Spinco	–	–	–	–	129,430	129,430
Redemption of Class 1 reorganization shares	–	(162,230)	–	–	–	(162,230)
Pro-forma balances, October 31, 2014	4,486,727	2,163,091	12,500	481,317	(1,537,212)	1,119,696

(The accompanying notes are an integral part of these pro-forma financial statements)

CANNABIX TECHNOLOGIES INC.
Notes to pro-forma financial statements
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
October 31, 2014

1. BASIS OF PRESENTATION

The unaudited pro-forma financial statements of Cannabix Technologies Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards from information derived from the October 31, 2014 unaudited condensed interim financial statements of the Company, together with other information available to the Company. The unaudited pro-forma financial statements have been prepared for inclusion in the Management Information Circular of the Company, which contains the details of the Plan of Arrangement (the "Arrangement"). Pursuant to the Arrangement, the Company intends to exchange each issued and outstanding common share for one New Common Share and one Class 1 Reorganization Share. All of the Class 1 Reorganization Shares will be transferred by the shareholders of the Company to Torino Ventures Inc. ("Spinco"), a British Columbia private company, in exchange for 8,000,000 common shares of Spinco to be issued to the shareholders of the Company on a pro-rata basis. Finally, the Company will redeem all of the Class 1 Reorganization Shares by transfer to Spinco an amount equal to $162,230, consisting of the value of the Hazeur Property, or $152,230, and $10,000 of cash. The Company's remaining assets and the balance of its working capital will remain with the Company. In the opinion of the Company's management, the unaudited pro-forma statement of financial position includes all adjustments necessary for the fair presentation of the transactions described in Note 2.

The unaudited pro-forma financial statements should be read in conjunction with the October 31, 2014 unaudited interim financial statements of the Company.

The unaudited pro-forma financial statements of the Company have been compiled from and include:

a) the unaudited condensed interim statement of financial position of the Company as at October 31, 2014;

b) the unaudited condensed statement of change in shareholders' equity of the Company as of October 31, 2014; and

c) the additional information set out in Note 2.

The unaudited pro-forma financial statements of the Company have been compiled using the significant accounting policies as set out in the Company's audited financial statements for the year ended April 30, 2014 and those accounting policies expected to be adopted by the Company.

The unaudited pro-forma financial statements are not necessarily indicative of the financial position that would have been attained had the transactions actually taken place at the dates indicated and do not purport to be indicative of the effects that may be expected to occur in the future.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma financial statements were prepared based on the following assumptions:

a) The Company incurred (expensed) $15,606 of costs on the Hazeur mineral property during the period subsequent to October 31, 2014 and prior to the date of the Arrangement

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (cont'd...)

b) Pursuant to the Arrangement, the Company will exchange each issued and outstanding common share for one New Common Share and one Class 1 Reorganization Share.

c) All Class 1 Reorganization Shares will be transferred by the shareholders of the Company to Spinco in exchange for 8,000,000 common shares of Spinco to be issued on a pro-rata basis.

d) The Company will redeem all of the Class 1 Reorganization Shares by transferring an amount equal to $162,230 to Spinco, consisting of the value of the Hazeur Property of $152,230, and $10,000 of cash.

As there has been no substantive change in the ownership of the Hazeur property, the value used on the acquisition by Spinco is comprised of the historical costs incurred on the property by the Company. As $129,430 of this amount comprised exploration costs expensed by the Company for accounting purposes, the Company recognizes a gain of that amount (only) on the transfer. The $129,430 is credited to deficit herein.

3. EFFECTIVE TAX RATE

The combined federal and provincial effective tax rate for 2015 will be 26%.

SCHEDULE G

AUDITED FINANCIAL STATEMENTS FOR TORINO VENTURES INC.

See Attached Document

TORINO VENTURES INC.

Financial Statements

For the period from incorporation on September 10, 2014 to December 31, 2014

(Expressed in Canadian dollars)

DeVISSER GRAY *LLP*
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Torino Ventures Inc.,

We have audited the accompanying financial statements of Torino Ventures Inc. which comprise the statement of financial position as at December 31, 2014, and the statements of comprehensive loss and changes in equity for the period from incorporation on September 10, 2014 to December 31, 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 financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 whether the financial statements are free of 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 we have obtained 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 Torino Ventures Inc. at December 31, 2014 and its financial performance for the period from incorporation on September 10, 2014 to December 31, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CHARTERED ACCOUNTANTS
Vancouver, BC
January 8, 2015

TORINO VENTURES INC.
Statement of financial position
(Expressed in Canadian dollars)

	December 31, 2014 $
Assets	
Current assets	
Subscription receivable	1
Total assets	1
Liabilities	
Current liabilities	
Accounts payable	–
Total liabilities	–
Shareholders’ Equity	
Share capital (note 3)	1
Total shareholders’ equity	1
Total liabilities and shareholders’ equity	1

Nature of operations and continuance of business (Note 1)

Approved on behalf of the Board on January 8, 2015:

/s/ “Bryan Loree”
Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.
Statement of comprehensive loss
(Expressed in Canadian dollars)

	Period from incorporation on September 10, 2014 to December 31, 2014 $
Revenue	–
Operating expenses	–
Net loss and comprehensive loss	–
Loss per share, basic and diluted	–
Weighted average shares outstanding	1

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.
Statement of changes in equity
(Expressed in Canadian dollars)

	Share capital			
	Number of shares	Amount $	Deficit $	Total $
Incorporation share	1	1	–	1
Net loss	–	–	–	–
Balance, December 31, 2014	1	1	–	1

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations

Torino Ventures Inc. (the "Company") was incorporated on September 10, 2014 under the BC Business Corporations Act as a wholly-owned subsidiary of Cannabix Technologies Inc. ("Cannabix"), a public company the common shares of which trade on the TSX Venture Exchange. The head office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The registered and records office of the Company is located at the same address.

The Company's primary business is to be, upon completion of the Plan Arrangement described below, the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company has no source of revenue, does not generate cash flows from operating activities, and has not accumulated any deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The audited financial statements have been prepared for inclusion in a Management Information Circular of Cannabix, which contains the details of a Plan of Arrangement (the "Arrangement"). Pursuant to the Arrangement, Cannabix intends to exchange each of its issued and outstanding common shares for one New Common Share and one Class 1 Reorganization Share. All of the Class 1 Reorganization Shares will be transferred by the shareholders of Cannabix to the Company, in exchange for 8,000,000 common shares of the Company to be issued to the shareholders of Cannabix on a pro-rata basis. Finally Cannabix will then redeem all of the Class 1 Reorganization Shares by transferring to the Company an amount equal to $162,230, consisting of the value of its Hazeur mineral property interest, located in the Province of Quebec and $10,000 of cash.

The Hazeur property is expected to be acquired by the Company for $152,230, representing its carrying amount in the financial statements of Cannabix, inclusive of $129,430 in exploration costs expensed by Cannabix for accounting purposes, as there will be no substantive change in its ownership upon completion of the Plan of Arrangement.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These audited consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. They are presented in Canadian dollars, which is the Company's functional currency.

2. Significant Accounting Policies (continued)

(b) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of mineral property costs, determination of reclamation provisions, measurement of share-based payments, fair values of financial instruments, and deferred income tax asset valuation allowances.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

2. Significant Accounting Policies (continued)

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

(g) Income Taxes

Current income tax

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. 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.

Deferred income tax

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.

(h) Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

2. Significant Accounting Policies (continued)

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

(j) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Stock-based payments

The Company grants share-based awards to employees, directors and consultants providing similar services as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

2. Significant Accounting Policies (continued)

(m) Accounting standards and amendments issued but not yet effective

The following standard will be adopted effective January 1, 2019:

IFRS 9 – *Financial Instruments, Classification and Measurement*

3. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

Share issuance for the period ended December 31, 2014:

On September 10, 2014, the Company issued 1 share to Cannabix Technologies Inc. pursuant to the incorporation of the Company.

4. Financial Instruments and Risks

(a) Fair Values

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2014 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2014 $
Cash	–	–	–	–

(b) Credit Risk

The Company does not currently have any financial instruments that are potentially subject to credit risk.

(c) Foreign Exchange Rate and Interest Rate Risk

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

(d) 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 obligations 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.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

5. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

6. Segmented Information

The Company operates in one industry and in only one geographic segment within the mineral resource industry with all current exploration activities conducted in Canada.

SCHEDULE H

AUDIT COMMITTEE CHARTER

1. PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**") of the Company. The role of the Committee is to:

(a) assist the Board in its oversight responsibilities by reviewing: (i) the Company's financial statements, the financial and internal controls and the accounting, audit and reporting activities, (ii) the Company's compliance with legal and regulatory requirements, (iii) the external auditors' qualifications and independence, and (iv) the scope, results and findings of the Company's external auditors' audit and non-audit services;

(b) prepare any report of the Committee required to be included in the Company's annual report or proxy material;

(c) report to the Board in respect of the Company's financial statements prior to the Board approving such statements; and

(d) take such other actions within the scope of this Charter as the Board may assign to the Committee from time to time or as the Committee deems necessary or appropriate.

2. COMPOSITION, OPERATIONS AND AUTHORITY

Composition

The Committee shall be composed of a minimum of three members of the Board. Unless exempted by applicable securities laws and applicable stock exchange policies, all members of the Committee shall be independent as determined by the Board in accordance with the applicable requirements of the laws governing the Company, the applicable stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities (collectively, the "**Applicable Law**"). Each member of the Committee shall be "financially literate" as such term is defined by the Applicable Law.

Members of the Committee shall be appointed by the Board and continue to be members until their successors are elected and qualified or until their earlier death, retirement, resignation or removal. Any member of the Committee may be removed by the Board in its discretion. However, a member of the Committee shall automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or, if applicable, ceasing to be independent as required in this Section 2 of this Charter. Vacancies on the Committee will be filled by the Board.

Authority

The authority of the Committee is subject to the provisions of this Charter, the constating documents of the Company, such limitations as may be imposed by the Board from time to time and Applicable Law.

The Committee shall have the authority to: (i) retain (at the Company's expense) its own legal counsel and other advisors and experts that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behavior within the Company. In addition, the Committee shall have the authority to request any officer, director or employee of the Company, or any other persons whose advice and counsel are sought by the Committee, such as members of the Company's management or the Company's outside legal counsel and external auditors, to meet with the Committee or any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

The Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the Committee with respect to any of the matters referred to in this Charter.

Operations

The Board may appoint one member of the Committee to serve as chair of the Committee (the "**Chair**"), but if it fails to do so, the members of the Committee shall designate a Chair by majority vote of the full Committee to serve at the pleasure of the majority of the full Committee. If the Chair of the Committee is not present at any meeting of the Committee, an acting Chair for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chair shall refer the matter to the Board. The Committee may appoint a secretary who need not be a member of the Board or Committee. A secretary who is not a member of the Committee shall not have the rights of a member of the Committee.

The Chair shall preside at each meeting of the Committee and set the agendas for the Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings as long as they are not inconsistent with any provisions of the Company's constating documents or this Charter.

The Committee shall meet (in person or by telephonic meeting) at least quarterly or more frequently as circumstances dictate. As a part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements, the Committee shall meet in a separate session with the external auditors and, if desired, with management and/or the internal auditor. In addition, the Committee or the Chair shall meet with management quarterly to review the Company's financial statements and the Committee or a designated member of the Committee shall meet with the external auditors to review the Company's financial statements on a regular basis as the Committee may deem appropriate. The Committee shall maintain written minutes or other records of its meetings and activities, which shall be duly filed in the Company's records.

Except as otherwise required by the Company's constating documents, a majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. The Committee may also act by unanimous written consent in lieu of a meeting.

The Chair of the Committee shall report to the Board following meetings of the Committee and as otherwise requested by the Board.

3. RESPONSIBILITIES AND DUTIES

The Committee's primary responsibilities are to:

General

(a) review and assess the adequacy of this Charter on an annual basis and, where necessary or desirable, recommend changes to the Board;

(b) report to the Board regularly at such times as the Chair may determine to be appropriate but not less frequently than four times per year;

(c) follow the process established for all committees of the Board for assessing the Committee's performance;

Review of Financial Statements, MD&A and other Documents

(d) review the Company's financial statements and related management's discussion and analysis and any other annual reports or other financial information to be submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the external auditors before they are approved by the Board and publicly disclosed;

(e) report to the Board in respect of the Company's financial statements prior to the Board approving such statements;

(f) review with the Company's management and, if applicable, the external auditors, the Company's quarterly financial statements and related management's discussion and analysis, before they are released;

(g) ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;

(h) review the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;

(i) review with the Company's management any press release of the Company which contains financial information;

(j) review analyses prepared by management and/or the external auditors setting forth significant reporting issues and judgments made in connection with the preparation of the Company's financial statements;

External Auditors

(k) recommend external auditors' nominations to the Board to be put before the shareholders for appointment and, as necessary, the removal of any external auditors in office from time to time;

(l) approve the fees and other compensation to be paid to the external auditors;

(m) pre-approve all significant non-audit engagements to be provided to the Company with the external auditors;

(n) require the external auditors to submit to the Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Company and discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;

(o) recommend to the Board any action required to ensure the independence of the external auditors;

(p) advise the external auditors of their ultimate accountability to the Board and the Committee;

(q) oversee the work of the external auditors engaged for the purpose of preparing an audit report or performing other audit, review and attest services for the Company;

(r) evaluate the qualifications, performance and independence of the external auditors which are to report directly to the Committee, including (i) reviewing and evaluating the lead partner on the external auditors' engagement with the Company, (ii) considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, (iii) determine the rotation of the lead audit partner and the audit firm, and (iv) take into account the opinions of management and the internal audit function in assessing the external auditors' qualifications, independence and performance;

(s) present the Committee's conclusions with respect to its evaluation of external auditors to the Board and take such additional action to satisfy itself of the qualifications, performance and independence of external auditors and make further recommendations to the Board as it considers necessary;

(t) obtain and review a report from the external auditors at least annually regarding the external auditors' internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more external audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the external auditors and the Company;

(u) establish policies for the Company's hiring of employees or former employees of the external auditors;

(v) monitor the relationship between management and the external auditors including reviewing any management letters or other reports of the external auditors and discussing any material differences of opinion between management and the external auditors;

Financial Reporting Process

(w) periodically discuss the integrity, completeness and accuracy of the Company's internal controls and the financial statements with the external auditors in the absence of the Company's management;

(x) in consultation with the external auditors, review the integrity of the Company's financial internal and external reporting processes;

(y) consider the external auditors' assessment of the appropriateness of the Company's auditing and accounting principles as applied in its financial reporting;

(z) review and discuss with management and the external auditors at least annually and approve, if appropriate, any material changes to the Company's auditing and accounting principles and practices suggested by the external auditors, internal audit personnel or management;

(aa) review and discuss with the Chief Executive Officer ("CEO") and the Chief Financial Officer (the "CFO") the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the interim and annual filings with applicable securities regulatory authorities;

(bb) review disclosures made by the CEO and CFO during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Company's internal controls;

(cc) establish regular and separate systems of reporting to the Committee by management and the external auditors of any significant decision made in management's preparation of the financial statements, including the reporting of the view of management and the external auditors as to the appropriateness of such decisions;

(dd) discuss during the annual audit, and review separately with each of management and the external auditors, any significant matters arising from the course of any audit, including any restrictions on the scope of work or access to required information; whether raised by management, the head of internal audit or the external auditors;

(ee) resolve any disagreements between management and the external auditors regarding financial reporting;

(ff) review with the external auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;

(gg) retain and determine the compensation of any independent counsel, accountants or other advisors to assist in its oversight responsibilities (the Committee shall not be required to obtain the approval of the Board for such purposes);

(hh) discuss any management or internal control letters or proposals to be issued by the external auditors of the Company;

Corporate Controls and Procedures

(ii) receive confirmation from the CEO and CFO that reports to be filed with Canadian Securities commissions and any other applicable regulatory agency: (a) have been prepared in accordance with the Company's disclosure controls and procedures; and (b) contain no material misrepresentations or omissions and fairly presents, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports;

(jj) receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by such reports;

(kk) discuss with the CEO and CFO any reasons for which any of the confirmations referred to in the two preceding paragraphs cannot be given by the CEO and CFO;

Code of Conduct and Ethics

(ll) review and discuss the Company's Code of Business Conduct and Ethics and the actions taken to monitor and enforce compliance with the Code;

(mm) establish procedures for: i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters; and ii) the confidential, anonymous submission of concerns regarding questionable accounting, internal control and auditing matters;

Legal Compliance

(nn) confirm that the Company's management has the proper review system in place to ensure that the Company's financial statements, reports, press releases and other financial information satisfy Applicable Law;

(oo) review legal compliance matters with the Company's legal counsel;

(pp) review with the Company's legal counsel any legal matter that the Committee understands could have a significant impact on the Company's financial statements;

(qq) conduct or authorize investigations into matters within the Committee's scope of responsibilities;

(rr) perform any other activities in accordance with the Charter, the Company's constating documents and Applicable Law the Committee or the Board deems necessary or appropriate;

(ss) maintain minutes and other records of meetings and activities of the Committee;

Related Party Transactions

(tt) review the financial reporting of any transaction between the Company and any officer, director or other "related party" (including any shareholder holding an interest greater than 5% in the Company) or any entity in which any such person has a financial interest;

(uu) review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures;

Reporting and Powers

(vv) report to the Board following each meeting of the Committee and at such other times as the Board may consider appropriate; and

(ww) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

4. LIMITATION OF RESPONSIBILITY

While the Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the external auditors.