

## **NOTICE**

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and Board of Directors. The Company's independent auditors have not performed a review of these financial statements.

**WORLDWIDE CANNABIS CONSORTIUM INC.**

**(formerly Worldwide Marijuana Inc.)**

**Condensed Interim Consolidated Financial Statements**

**Three Months Ended January 31, 2015**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Condensed Interim Consolidated Statements of Financial Position

As at January 31, 2015 and October 31, 2014

	Notes	January 31, 2015	October 31, 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 408,009	\$ 53,437
GST receivable		300	-
Prepaid expense		5,000	5,000
		<b>413,309</b>	<b>58,437</b>
Deposits	6	250,000	70,000
		<b>\$ 663,309</b>	<b>\$ 128,437</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current liabilities</b>			
Accounts payable	7	\$ 53,838	\$ 155,390
		<b>53,838</b>	<b>155,390</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	8	308,900	72,000
Share subscriptions received		550,611	36,579
Deficit		(250,040)	(135,532)
<b>Total shareholders' equity (deficiency)</b>		<b>609,471</b>	<b>(26,953)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 663,309</b>	<b>\$ 128,437</b>

Nature of operations and going concern (note 1)

Subsequent events (note 10)

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

Approved on behalf of the directors on July 20, 2015

*"Robert Marsh"*

---

Director

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Condensed Interim Consolidated Statements of Comprehensive Loss

For the Three Months Ended January 31, 2015

	Notes	Three months ended January 31, 2015
<b>Expenses</b>		
Consulting and management fees	7	50,726
Investor relations		51,354
Office and miscellaneous		353
Professional fees		12,075
<b>Net loss, being comprehensive loss for the period</b>		<b>\$ 114,508</b>
Basic and diluted loss per share		<b>\$ (0.02)</b>
Weighted average number of common shares outstanding		<b>5,016,965</b>

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

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended January 31, 2015

January 31,

2015

Cash provided by (used in):

**Operating activities**

Comprehensive loss for the period \$ (114,508)

Changes in non-cash working capital items:

GST receivable (300)

Accounts payable (101,552)

**Net cash (used in) provided by operating activities (216,360)**

**Investing activities**

Long term deposits paid (180,000)

**Net cash (used in) provided by investing activities (180,000)**

**Financing activities**

Proceeds received on issuance of shares, net of costs 750,932

**Net cash (used in) provided by financing activities 750,932**

**Net increase (decrease) in cash 354,572**

**Cash, beginning of the period 53,437**

**Cash, end of the period \$ 408,009**

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

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

## Condensed Interim Consolidated Statements of Changes in Shareholder's Equity For the Three Months Ended January 31, 2015

	Number of common shares outstanding	Share capital	Subscription funds received	Deficit	Total shareholders' deficit
Balance, August 25, 2014	-	\$ -	\$ -	\$ -	-
Shares issued for cash	288,001	72,000	-	-	72,000
Subscriptions received	-	-	36,579	-	36,579
Comprehensive loss for the period	-	-	-	(135,532)	(135,532)
Balance, October 31, 2014	288,001	\$ 72,000	\$ 36,579	\$ (135,532)	\$ (26,953)
<b>Shares issued for cash, net of share issuance costs</b>	<b>7,593,200</b>	<b>236,900</b>	<b>-</b>	<b>-</b>	<b>236,900</b>
<b>Subscriptions received</b>	<b>-</b>	<b>-</b>	<b>514,032</b>	<b>-</b>	<b>514,032</b>
<b>Comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(114,508)</b>	<b>(114,508)</b>
<b>Balance, January 31, 2015</b>	<b>7,881,201</b>	<b>\$ 308,900</b>	<b>\$ 550,611</b>	<b>\$ (250,040)</b>	<b>\$ 609,471</b>

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

# **WORLDWIDE CANNABIS CONSORTIUM INC.**

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

## **1. Nature of operations and going concern**

Worldwide Cannabis Consortium Inc. (formerly Worldwide Marijuana Inc.) (“Worldwide Cannabis”; the “Company”) was incorporated under the B.C. Business Corporations Act. on August 25, 2014. The Company is engaged in the acquisition of companies and assets in the medical marijuana sector with a view to ultimately having multiple subsidiaries that are licensed producers. The Company’s head office is located at 700 – 1199 West Hastings Street, Vancouver, B.C., V6E 3T5.

These condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at January 31, 2015, the Company had no source of operating cash flows and reported net comprehensive loss for the three months ended January 31, 2015 of \$114,508, working capital of \$359,471 (October 31, 2014 – deficit of \$96,953), and has an accumulated deficit of \$250,040 (October 31, 2014 - \$135,532). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company’s ability to complete equity financings, secure project debt financing, and / or generate profitable operations in the future. It is not possible to predict whether further financing efforts will be successful or if the Company will attain profitable levels of operations.

These condensed interim consolidated financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, and the reported comprehensive loss and classifications used on the statement of financial position. These adjustments could be material.

## **2. Statement of compliance and basis of preparation**

### **a) Statement of compliance**

These condensed consolidated interim financial statements are unaudited and are prepared in accordance with International Accounting Standard 34 (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The Company’s disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company’s accounting policies in accordance with IFRS and certain additional disclosures required under IFRS.

### **b) Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, and have been prepared using the accrual basis of accounting, except cash flow information.

The Director approved these condensed interim consolidated financial statements on July 20, 2015.

### **c) Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

### **d) Critical accounting estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

A significant use of judgement is the assessment of the Company's ability to continue as a going concern and the determination of whether it is likely that future taxable profits will be available to utilize against any deferred assets.

Key sources of estimation uncertainty include:

## Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing deferred income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

### 3. Significant accounting policies

The significant accounting policies of the Company are as follows:

#### a) Foreign currency translation

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Foreign exchange gains and losses are included in comprehensive loss.

#### b) Cash and cash equivalents

Cash is comprised of cash on hand and deposits in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### c) Provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is included in comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these decommissioning activities



# **WORLDWIDE CANNABIS CONSORTIUM INC.**

**(formerly Worldwide Marijuana Inc.)**

**Notes to the Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended January 31, 2015**

---

includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in comprehensive loss as a finance cost. Additional disturbances or changes in decommissioning costs will be recognized as additions or charges to the corresponding assets and decommissioning liability when they occur. For closed sites, changes to estimated costs are recognized immediately in comprehensive loss.

The Company does not currently have any such significant legal or constructive obligations for reclamation or decommissioning and therefore no decommissioning provisions have been recorded. The Company has recorded provisions for other contingencies (note 9).

## **d) Impairment of non-financial assets**

Non-financial assets are evaluated at the end of each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

## **f) Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes option pricing model.

The fair value is estimated at grant date and each tranche is recognized on a graded-vesting basis over the period the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to option and warrant reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options that expire after vesting, the recorded value is transferred to deficit.

## **g) Earnings (loss) per share**

Basic earnings (loss) per share ("EPS") is calculated by dividing profit or loss attributable to ordinary equity holders

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

(numerator) by the weighted average number of ordinary shares outstanding (denominator) during the period. The denominator is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

## **h) Income taxes**

Tax expense comprises current and deferred tax. Tax expense is recognized in income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amount of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future, or on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **i) Financial instruments**

### **Financial assets**

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

#### *Fair value through profit or loss*

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through the statement of comprehensive loss. Cash is included in this category of financial assets.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are financial assets that are designated as available-for-sale and that are not classified in any of the other categories. Subsequent to initial recognition at fair value, they are measured at fair value and changes therein are recognized in other comprehensive income (loss) and presented within equity in accumulated other

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

comprehensive loss. When an investment is derecognized, the cumulative gain or loss in accumulated other comprehensive income is transferred to comprehensive loss. The Company does not have any available-for-sale financial assets.

## *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date, and are carried at amortized cost, using the effective interest method, less any impairment. Loans and receivables are comprised of GST receivable and deposits.

## *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, held with the intention of holding these investments to maturity and subsequently measured at amortized cost. These investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period. The Company has no financial assets classified as held-to-maturity investments.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence indicating that one or more events have had a negative impact on the estimated future cash flows of that asset. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

An impairment loss in respect of a financial assets measured at amortized cost is calculated as the difference between its carrying amount and the net present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale asset is calculated by reference to its fair value and any amounts in other comprehensive income are transferred to earnings.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Gains or losses related to impairment or de-recognition are recognized in the statement of comprehensive loss in the period in which they occur. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

## **Financial liabilities**

The Company classifies its financial liabilities as other financial liabilities. Management determines the classification of its financial liabilities at initial recognition. Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other financial liabilities include accounts payable.

## **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issuance costs.

## **Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

## j) Recent accounting standards

The following amended or new Standards were issued by the IASB and are effective for the Company's fiscal year beginning on January 1, 2014.

- IFRS 10 – Consolidated Financial Statements (amendment);
- IFRS 12 – Disclosure of Interests in Other Entities (amendment);
- IAS 32 – Financial Instruments: Presentation (amendment);
- IAS 36 – Impairment of Assets (amendment);
- IAS 39 – Financial Instruments: Recognition and Measurement (amendment); and
- IFRIC 21 – Levies.

IFRS 10 – Consolidated Financial Statements (amendment) - In October 2012, the IASB issued amendments to this Section, incorporated into the Handbook by the AcSB in January 2013, that introduce an exception for investment entities to the principle that all subsidiaries are consolidated. The amendments define an investment entity and require an investment entity to measure subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Consequential amendments were also made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations and IAS 7 Statement of Cash Flows. Adoption of this standard did not have an effect on the Company's financial statements.

IFRS 12 – Disclosure of Interests in Other Entities (amendment) - In October 2012, the IASB issued amendments to this Section, incorporated into the Handbook by the AcSB in January 2013, to add disclosure requirements for investment entities. The amendments require an entity to disclose that it meets the definition of an investment entity, if applicable, including significant judgments and assumptions it has made in determining that it is an investment entity. Specific disclosure requirements for information about an investment entity's non-consolidated subsidiaries have also been included. Adoption of this standard did not have an effect on the Company's financial statements.

IAS 32 – Financial Instruments: Presentation (amendment) - This Section was amended by the International Accounting Standards Board (IASB) in December 2011, incorporated into Part I of the CPA Canada Handbook – Accounting (the Handbook) by the Accounting Standards Board (AcSB) in May 2012, to address inconsistencies in applying criteria for offsetting financial assets and financial liabilities. The meaning of the offsetting criterion "currently has a legally enforceable right to set off" has been clarified, to state that the right must not be contingent on future events and must be enforceable in the normal course of business, in event of default and in the event of insolvency or bankruptcy. Additional guidance has been included to clarify the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Adoption of this standard did not have an effect on the Company's financial statements.

IAS 36 – Impairment of Assets (amendment) - In May 2013, the International Accounting Standards Board (IASB) issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, to IAS 36. These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Adoption of this standard

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

did not have an effect on the Company's financial statements.

IAS 39 – Financial Instruments: Recognition and Measurement (amendment) - In June 2013, the International Accounting Standards Board (IASB) issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, to IAS 39. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. Adoption of this standard did not have an effect on the Company's financial statements.

IFRIC 21 – Levies - In May 2013, the International Accounting Standards Board (IASB) issued IFRIC 21, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2013, which provides guidance on the accounting for levies within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Adoption of this standard did not have an effect on the Company's financial statements.

### ***Future accounting standards***

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after October 31, 2014. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the discussion below.

- IFRS 2 – Share Based Payments (amendment);
- IFRS 9 - Financial Instruments;
- IAS 24 – Related Party Disclosures (amendment).

The amendments to IFRS 2, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify the definition of "vesting conditions" and "market conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

The IASB has issued a new standard, IFRS 9, Financial Instruments ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase of this project. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity's credit risk are presented in other comprehensive income. Companies may early adopt IFRS 9 however there is no mandatory application date. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

The amendments to IAS 24, issued by the International Accounting Standards Board (IASB) in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

# **WORLDWIDE CANNABIS CONSORTIUM INC.**

**(formerly Worldwide Marijuana Inc.)**

**Notes to the Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended January 31, 2015**

---

## **4. Capital management**

The Company classifies its share capital as capital, which at January 31, 2015 totalled \$308,900 (October 31, 2014 - \$72,000). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

## **5. Financial instruments and financial risk management**

### **a) Financial assets and liabilities by category**

The Company has designated cash as fair value through profit or loss, measured at fair value. Changes in the fair values are recorded in comprehensive loss. GST receivable and deposits are designated as loans and receivables, and are measured at amortized cost using the effective interest method. Accounts payable are designated as other financial liabilities and are measured initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Management did not identify any material embedded derivatives, which require separate recognition and measurement. The Company had no held-to-maturity financial instruments during the period.

### **b) Fair value**

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature or bear interest at market rates.

### **c) Fair value hierarchy**

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At January 31, 2015 and October 31, 2014, the Company's financial assets and liabilities which are measured and recognized on the consolidated statement of financial position at fair value on a recurring basis consist of cash and cash equivalents, which are categorized as a level 1 financial instrument.

Cash and cash equivalents are classified as held for trading and are recorded at fair value in the consolidated statement of

# **WORLDWIDE CANNABIS CONSORTIUM INC.**

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

financial position. The Company had no other financial instruments recorded at fair value. There were no transfers between levels 1 and 2 during the period.

## **d) Financial risk management**

The Company's director has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the Company's activities. Management regularly monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

In the normal course of operations, the Company is exposed to various risks such as interest rate, foreign exchange, credit and liquidity risks. To manage these risks, management determines what activities must be undertaken to minimize potential exposure to risks. The objectives of the Company in managing risks are as follows:

- Maintaining sound financial condition;
- Financing operations; and
- Ensuring liquidity to all operations.

In order to satisfy these objectives, the Company has adopted the following policies:

- Prepare budget documents at prevailing market rates to ensure clear, corporate alignment to performance management and achievement of targets;
- Recognize and observe the extent of operating risk within the business; and
- Identify the magnitude of the impact of market risk factors on the overall risk of the business and take advantage of natural risk reductions that arise from these relationships.

There have been no changes in risks that have arisen or how the Company manages those risks during the period.

### **(i) Interest rate risk**

The Company's interest rate risk arises primarily from the interest received on cash, which is invested on a short term basis to enable adequate liquidity for payment of operational and capital expenditures. Interest rate risk is considered minimal.

### **(ii) Foreign currency risk**

The Company is exposed to foreign currency risk on fluctuations related to cash and deposits that are denominated in US dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. Foreign currency risk is considered minimal.

### **(iii) Commodity price risk**

The Company is not exposed to price risk with respect to commodity prices.

### **(iv) Credit risk**

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from trade receivables. The Company's credit risk is primarily attributable to cash and GST receivable. The Company limits its exposure to credit risk on cash as these financial instruments are held with major Canadian and international banks, from which management believes the risk of loss to be remote. Credit risk on GST receivable is considered to be minimal given the relatively immaterial values. The carrying amount of financial assets recorded in the financial statements, net of any allowances, represents the Company's maximum exposure to credit risk.

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

## Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long term obligations. As disclosed in note 1, the ability of the Company to continue as a going concern is dependent on many factors.

### 6. Deposits

A summary of deposits paid is as follows:

Balance, August 25, 2014	\$	-
Cash deposit - Trail property		50,000
Cash deposit - Medcann		20,000
Balance, October 31, 2014	\$	70,000
<b>Cash deposits - Medcann</b>		<b>80,000</b>
<b>Cash deposits - Trail property</b>		<b>100,000</b>
<b>Balance, January 31, 2015</b>	<b>\$</b>	<b>250,000</b>

a) Trail property

On September 19, 2014, the Company was assigned the rights to the property purchase agreement to purchase land and building located in Trail, B.C at a price of \$2,200,000. The Company paid a non-refundable deposit of \$50,000 during the period ended October 31, 2014, and made further payments totaling \$80,000 during the three months ended January 31, 2015. The terms of the agreement are currently being renegotiated. Total deposits paid as at January 31, 2015 are \$150,000. Subsequent to January 31, 2015, the Company made further payments of \$50,000.

b) Medcann Health Products Ltd. ("Medcann")

On October 9, 2014, the Company signed a letter of intent to purchase all of the issued and outstanding shares of Medcann, a private company located in Chemainus, B.C., for a price of \$2,000,000; and land and building on which Medcann operates for a price of \$1,200,000. The total purchase price of \$3,200,000 will be paid in cash of \$2,200,000, and issuance of 2,222,222 common shares of the Company with a deemed value of \$1,000,000.

During the period ended October 31, 2014, the Company paid \$20,000 to extend the date to complete the closing of the transaction from December 10, 2014 to January 31, 2015. During the three months ended January 31, 2015, further payments of \$80,000 were made pursuant to the agreement. Total deposits paid as at January 31, 2015 are \$100,000. Subsequent to January 31, 2015, further payments of \$100,000 were made in cash, and the Company issued 2,222,222 shares with a fair value of \$555,556. In addition, the Company reached an agreement with the vendors to extend the closing until such time as adequate financing is raised.

### 7. Related party transactions

During the period ended January 31, 2015, the Company entered into transactions with the following related parties:

Individual	Relationship	Nature of Transactions	Fees incurred three months ended January 31, 2015	Balance payable at January 31, 2015	Balance payable at October 31, 2014
Robert Marsh	Chief executive officer, director	Management fees	\$ 20,000	\$ 20,000	\$ 45,000



# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

## Key management compensation

Compensation paid to key management consists of \$20,000 of management fees.

## 8. Share capital

Authorized: unlimited common voting shares without par value.

On August 25, 2014, the Company issued 1 common share upon incorporation for proceeds of \$0.01.

On November 28, 2014, the Company issued 2,660,000 common shares at \$0.005 per share, and 4,390,000 common shares at \$0.02 per share for total gross proceeds of \$101,100.

On October 15, 2014, the Company completed the first tranche of a non-brokered private placement financing and issued 288,000 common shares at \$0.25 each for proceeds of \$72,000. On November 19, 2014, the Company closed the second tranche of the private placement and issued 543,200 common shares at \$0.25 per share for proceeds of \$135,800.

## 9. Financial instruments

Financial assets and financial liabilities as at January 31, 2015 and October 31, 2014 were as follows:

As at January 31, 2015	Loans and receivables	Assets/liabilities at fair value through profit and loss	Other liabilities	Total
Cash	\$ -	\$ 408,009	\$ -	\$ 408,009
GST receivable	300	-	-	300
Prepaid expense	5,000	-	-	5,000
Deposits	250,000	-	-	250,000
Accounts payable	-	-	53,838	53,838

As at October 31, 2014	Loans and receivables	Assets/liabilities at fair value through profit and loss	Other liabilities	Total
Cash	\$ -	\$ 53,437	\$ -	\$ 53,437
Prepaid expense	5,000	-	-	5,000
Deposits	70,000	-	-	70,000
Accounts payable	-	-	155,390	155,390

## 10. Subsequent event

### Reverse takeover transaction

On March 23, 2015, the Worldwide Marijuana Inc. (formerly Inexco Mining Corp.) acquired 100% of the issued and outstanding shares of Worldwide Cannabis by issuing 12,423,549 common shares to the shareholders of Worldwide Cannabis. For accounting purposes, although the transaction resulted in Worldwide Cannabis becoming a wholly-owned subsidiary of the Worldwide Marijuana Inc., the Acquisition resulted in the former shareholders of Worldwide Cannabis having control over the combined entity, and therefore this acquisition is accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share-based Payments. Accordingly, the transaction was accounted for at the fair value of the equity consideration.

The consideration paid by the Company to acquire Worldwide Marijuana was measured on the basis of the fair value of the

# WORLDWIDE CANNABIS CONSORTIUM INC.

(formerly Worldwide Marijuana Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2015

---

equity instruments issued considering the price per share of the private placement closing concurrently with the Acquisition. In accordance with IFRS 2, any excess of the fair value shares issued over the fair value of the net monetary assets of Worldwide Marijuana is recognized in the consolidated statements of comprehensive loss as a listing expense. Moreover, as certain options granted prior to the Acquisition by Worldwide Marijuana remain exercisable after the completion of the reverse takeover, the fair value of the options at the acquisition date are also included as part of the consideration transferred.

The fair value of the consideration is as follows:

Fair value of shares	2,703,749
Fair value of options	173,346
<b>Total consideration</b>	<b>2,877,095</b>

The fair value of the net liabilities acquired is as follows:

Cash	38
GST receivable	6,524
Accounts payable	(159,058)
<b>Net liabilities</b>	<b>(152,496)</b>

The excess of the fair value of the consideration over the fair value of net liabilities acquired in the amount of \$3,030,091 has been expensed in the statement of comprehensive loss as a reverse takeover listing fee expense in the three months ended April 30, 2015.

## ***Oregon joint venture***

Subsequent to April 30, 2015, the Company signed a letter of intent to form a joint venture in Oregon to expand operations in the medical marijuana sector, whereby the Company will hold a 75% interest in the operations of the joint venture. The Company is committed to an advance of \$100,000 USD to this joint venture, of which \$10,000 USD was paid as at April 30, 2015, and a further \$12,000 was paid subsequent to April 30, 2015.

## ***Medcann***

Subsequent to January 31, 2015, further payments of \$100,000 were made in cash, and the Company issued 2,222,222 shares with a fair value of \$555,556 pursuant to the purchase agreement described in note 7b). In addition, the Company reached an agreement with the vendors to extend the closing until such time as adequate financing is raised.

## ***Trail property***

Subsequent to January 31, 2015, the Company made further payments of \$50,000.

## ***Private placement***

On February 3, 2015, the Company completed the third tranche of the private placement discussed in note 8 and issued 1,700,126 common shares at \$0.25 per share for gross proceeds of \$425,032. On March 16, 2015, the Company completed the fourth and final tranche of the private placement and issued 620,000 common shares at \$0.25 for proceeds of \$155,000. Finders' fees of \$26,500 were paid in conjunction with this private placement. The completion of this private placement was made concurrently with the Acquisition described above. Upon successful completion of the acquisition, the Company issued 800,000 common shares as a success fee, valued at \$0.25 per share for a total value of \$200,000.