Strachan Resources Ltd

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the years ended August 31, 2014 and August 31, 2013

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Strachan Resources Ltd.,

We have audited the accompanying financial statements of Strachan Resources Ltd. which comprise the statements of financial position as at August 31, 2014 and August 31, 2013, and the statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years ended August 31, 2014 and 2013, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Strachan Resources Ltd. at August 31, 2014 and 2013 and its financial performance and its cash flows for the years ended August 31, 2014 and August 31, 2013 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.

De Visser Gray LLP

CHARTERED ACCOUNTANTS
Vancouver, BC
December 17, 2014

STRACHAN RESOURCES LTD.

STATEMENTS OF FINANCIAL POSITION

As at August 31,

(Expressed in Canadian Dollars)

	2014	2013
ASSETS		
Current		
Cash and cash equivalents - Note 1, 8	$ 1,641	$ 3,808
GST recoverable	305	13,932
	1,946	17,740
	$ 1,946	$ 17,740
LIABILITIES		
Current		
Trade and other payables	$ 43,563	$ 34,667
	43,563	34,667
SHAREHOLDERS' EQUITY		
Share capital – Note 4	318,507	318,507
Reserves	41,200	41,200
Deficit	(401,324)	(376,634)
	(41,617)	(16,927)
	$ 1,946	$ 17,740

Nature and Continuance of Operations– Note 1

The accompanying notes form an integral part of these financial statements

Approved and authorized by the Board on December 17, 2014

"Gary Mathiesen" Director *"Steve Mathiesen"* Director

Gary Mathiesen Steve Mathiesen

STRACHAN RESOURCES LTD.

STATEMENTS OF COMPREHENSIVE LOSS

For the years ended August 31,

(Expressed in Canadian Dollars)

		2014		2013
General and administrative expense				
Accounting fees - Note 5	$	10,953	$	15,965
Bank charges		141		275
Exploration costs		-		3,047
Filing and listing fees		10,021		21,354
Legal		1,449		45,584
Marketing		1,192		1,763
Office expense - Note 5		5,507		8,070
Travel expense - Note 5		427		-
Loss before other items		29,690		96,058
Other items				
Interest income		-		(526)
Impairment charge		-		20,000
Qualifying Transaction cost (refund)		(5,000)		40,406
Net loss and comprehensive loss for the year	$	24,690	$	155,938
Basic and diluted loss per share	**$**	**0.01**	**$**	**0.03**
Weighted average number of shares outstanding		**4,000,000**		**4,709,590**

The accompanying notes form an integral part of these financial statements

STRACHAN RESOURCES LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Share capital				
	Number	Amount	Reserves	Deficit	Total
Balance, August 31, 2012	**5,000,001**	**$ 316,050**	**$ 41,200**	**$ (220,696)**	**$ 136,554**
Cancellation of escrow shares	(1,000,001)	-	-	-	-
Share issue costs	-	2,457	-	-	2,457
Net loss for the year	-	-	-	(155,938)	(155,938)
Balance, August 31, 2013	**4,000,000**	**$ 318,507**	**$ 41,200**	**$ (376,634)**	**$ (16,927)**
Balance, August 31, 2013	**4,000,000**	**$ 318,507**	**$ 41,200**	**$ (376,634)**	**$ (16,927)**
Net loss for the year	-	-	-	(24,690)	(24,690)
Balance, August 31, 2014	**4,000,000**	**$ 318,507**	**$ 41,200**	**$ (401,324)**	**$ (41,617)**

The accompanying notes form an integral part of these financial statements

STRACHAN RESOURCES LTD.

STATEMENTS OF CASH FLOWS

For the years ended August 31,

(Expressed in Canadian Dollars)

	2014	2013
Operating activities		
Net loss for the year	$ (24,690)	$ (155,938)
Adjustment for non-cash working capital items:		
Impairment of acquisition costs	-	20,000
Changes in non-cash working capital items:		
Amounts receivable	13,626	(7,378)
Trade and other payables	8,897	3,869
Net cash flows used in operating activities	(2,167)	(139,447)
Investing activity		
Exploration and evaluation expenditure	-	(10,000)
Net cash flows used in investing activity	-	(10,000)
Decrease in cash and cash equivalents	(2,167)	(149,447)
Cash and cash equivalents, beginning of the year	3,808	153,255
Cash and cash equivalents, end of the year	$ 1,641	$ 3,808

Supplementary Cash Flow and Non-Cash Activities - Note 8

The accompanying notes form an integral part of these financial statements

Note 1 Nature and Continuance of Operations

Strachan Resources Ltd. (the "Company") was incorporated on May 12, 2010 under the Business Corporations Act of British Columbia. The Company is classified as a Capital Pool Company (CPC) as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The Company has not been able to complete its qualifying transaction in the time frame required by the TSX Venture Exchange and its listing was transferred to the NEX board of the Exchange, effective May 28, 2013.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company and Lotus Ventures Inc. ("Lotus"), a BC corporation, have agreed, subject to the satisfaction of certain conditions precedent, to amalgamate under the BC Business Corporations Act, pursuant to an Amalgamation Agreement dated as of July 30, 2014 and amended on September 1, 2014. Lotus holds certain rights with respect to a BC medical marijuana production facility, and has applied to Health Canada for a marijuana production license under new federal regulations. The resulting amalgamated corporation ("Amalco") is to be known as Lotus Ventures Inc.

For accounting purposes, the amalgamation is anticipated to constitute a reverse acquisition, with Lotus as the acquiring entity and the Company as the entity being acquired.

The amalgamation is subject to certain conditions precedent including:

i. approval by the shareholders of the Company by a special majority of the arm's length parties and parties not related to the Amalgamation; (approved)
ii. the Company delisting from the TSX Venture Exchange (TSXV);
iii. on completion of the Amalgamation the issuance to the Company founders of 2,500,000 (escrowed) shares of Amalco at a price of $0.005 per share.; and
iv. acceptance of the Canadian Securities Exchange (CSE) to the listing of the Amalco Shares on the CSE.

Refer to Note 10.

Note 2 Basis of Preparation

Statement of Compliance

These financial statements are 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").

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Note 3 Significant Accounting Policies

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, as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing such financial assets in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income. The Company has classified its cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified its amounts receivable as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying

Note 3 **Significant Accounting Policies – (cont'd)**

amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss or income.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss or income.

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 that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing such financial liabilities in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Other financial liabilities: This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Note 3 Significant Accounting Policies – (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Share-based payment transactions

The Company operates an employee stock option plan. Share-based payments to directors, officers, employees and consultants are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income (loss) per share

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share does not adjust the income (loss) attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Related party transactions

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligations, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability.

Note 3 Significant Accounting Policies – (cont'd)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Areas requiring a significant degree of estimation and judgement relate to the determination of the fair value of financial instruments, share-based payments and other equity based payments and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less (Note 9).

Future accounting pronouncements

IFRS 9 – Financial instruments - classification and measurement

In November 2009 and October 2010, the IASB issued IFRS 9 – Financial instruments ("IFRS 9"), Classification and Measurement of Financial Assets and Financial Liabilities. IFRS 9 will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is currently assessing the impact of this standard.

Note 4 Share Capital

a) Authorized:

Unlimited common shares without par value.

b) Issued:

Refer to “Statements of Changes in Shareholders’ Equity.”

The Company issued 2,500,001 shares to founders at $0.05 per share for cash proceeds of $125,000. These shares were valued by management and directors at $0.05 per share based on the relative price of other common share issuances at the time.

On December 24, 2010, the Company successfully completed its initial public offering of 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000 pursuant to a prospectus dated November 24, 2010. The Company incurred an agent commission of $25,000, a $10,000 corporate finance fee and granted 250,000 agent’s warrants to purchase 250,000 common shares valued at $13,450 which are exercisable at $0.10 per share and expired on December 21, 2012.

During the year ended August 31, 2013, the Company failed to generate substantial interest in a share offering and subsequently cancelled the offering. However, the Company still incurred $37,949 in share issue costs and expenses related to the offering.

The Company held its annual and special meeting of shareholders on March 21, 2013, at which, pursuant to the CPC policy, it received approval to transfer its listing to NEX and to cancel 1,000,001 escrow seed shares held by certain non-arm's-length parties.

c) Commitments:

i) Share Purchase Warrants

No warrants outstanding as at August 31, 2014 and 2013.

ii) Share Purchase Options

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant stock options to directors, officers, consultants and employees of the Company. The maximum aggregate number of share purchase options granted under the Plan at any point in time, together with the existing options, will not exceed 10% of the outstanding issue at the time of the stock option grant.

The number of common shares which may be reserved in any twelve month period for issuance to any one individual upon exercise of stock options held by that individual may not exceed 5% (2% for consultants) of the issued and outstanding common shares of the Company unless the Company has obtained disinterested shareholder approval. The exercise price of a share purchase option may not be less than the discounted market price of the common shares on the date of grant. The share purchase options granted under the Plan may not exceed ten years.

(Expressed in Canadian Dollars)

Note 4 Share Capital – (cont'd)

On December 24, 2010, 500,000 director share purchase options were granted, subject to regulatory approval and effective on the closing of the Company's initial public offering, entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price ($)	Expiry Date
500,000	0.10	December 24, 2015

	Number	W/A Exercise Price
Balance, August 31, 2013	500,000	$0.10
Balance, August 31, 2014	**500,000**	**$0.10**

During the year ended August 31, 2014, share-based compensation expense of $nil (2013 - $nil) was recorded.

d) Escrow Shares:

As at August 31, 2014, 1,500,000 common shares issued were held in escrow, subject to the Escrow Agreement. The escrow shares are to be released pro rata to the escrow shareholder as follows:

i) 150,000 common shares on the issuance of the Final Exchange Bulletin;
ii) 225,000 common shares 6 months thereafter;
ii) 225,000 common shares 12 months thereafter;
iii) 225,000 common shares 18 months thereafter;
iv) 225,000 common shares 24 months thereafter;
v) 225,000 common shares 30 months thereafter; and
vi) 225,000 common shares 36 months thereafter.

See Note 10 – Subsequent Events.

Note 5 Related Party Transactions

During the year, the Company incurred the following charges from directors of the Company and private companies controlled by directors of the Company:

	2014	2013
Accounting and administrative	$ 4,703	$ 3,826
Office	5,507	7,709
Total	$ 10,210	$ 11,535

These expenditures were measured by the exchange amount which is the amount agreed upon by the transacting parties. Included in accounts payable and accrued liabilities is $11,137 (2013-$454) due to related parties consisting of the reimbursement of expenses. These amounts are unsecured, non-interest-bearing and have no specific terms of repayment.

(Expressed in Canadian Dollars)

Note 6 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents. There are no external restrictions on the use of the Company's capital other than as provided in Policy 2.4 Capital Pool Companies of the TSX Venture Exchange.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior capital market and by the status of the Company's projects in relation to this market, and its ability to compete for investor support.

Note 7 Financial Instruments

Fair Values of Financial Assets and Liabilities

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their fair values. The three levels of the hierarchy are as follows:

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

The following is an analysis of the Company's financial assets measured at fair value as at August 31, 2014 and August 31, 2013:

	As at August 31, 2014		
	Level 1	**Level 2**	**Level 3**
Cash	$ 1,641	$ -	$ -
	$ 1,641	$ -	$ -

	As at August 31, 2013		
	Level 1	**Level 2**	**Level 3**
Cash	$ 3,808	$ -	$ -
	$ 3,808	$ -	$ -

Cash and cash equivalents as shown on the balance sheet are measured using Level 1. The Company does not have any financial instruments that are measured at fair value using Level 2 and 3 inputs.

Note 7 Financial Instruments – (cont'd)

Foreign Exchange Risk
As at August 31, 2014, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations.

Credit Risk
Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a large Canadian bank.

Interest Rate Risk
As at August 31, 2014 and August 31, 2013, the Company was not subject to or exposed to any interest rate risk.

Liquidity Risk
The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

Note 8 Supplemental Cash Flow and Non-cash Activities

The components of cash and cash equivalents are as follows:

	August 31, 2014	August 31, 2013
Cash	$ 1,641	$ 3,808
	$ 1,641	$ 3,808

Note 9 Income Tax

The reconciliation of the Canadian income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2014	2013
Net loss	$ (24,690)	$ (155,938)
Statutory rate	26.21%	25.42%
Expected income tax recovery	(6,471)	(39,639)
Net adjustment for deductible and non-deductible amounts	(2,256)	3,145
Valuation allowance	8,727	36,494
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

Note 9 Income Tax – (cont'd)

The significant components of the Company's future income tax assets are as follows:

	2014	2013
Future income tax assets		
Non-capital loss carried forward	$ 102,820	$ 92,300
Exploration and evaluation	5,300	5,200
Share issuance costs	2,281	4,477
Total	110,401	101,977
Valuation allowance	(110,401)	(101,977)
Future income taxes, net	$ -	$ -

As at August 31, 2014, the Company has non-capital losses carried forward for Canadian income tax purposes totaling approximately $388,000 expiring as follows:

Year	
2030	$ 15,000
2031	97,000
2032	99,000
2033	144,000
2034	33,000
	$ 388,000

Note 10 Subsequent events

- On October 20, 2014, Strachan shareholders, at a general meeting, approved the amalgamation of Strachan Resources Ltd. and Lotus Ventures Inc. The text of this resolution is as disclosed in the Information Circular for this meeting filed on www.SEDAR.com.

- On October 22, 2014, the 1,500,000 common shares of the Company remaining under the Escrow Agreement described in Note 4d) were cancelled, pursuant to an escrow cancellation agreement.

- On October 27, 2014, Lotus completed a non-brokered private placement of 1,374,000 common shares at $0.25 per share for gross proceeds of $343,500, also paying $10,000 in finder's fees to complete the private placement.

- On November 27, 2014, the Company and Lotus were amalgamated, resulting in the formation of Amalco, a public company. Amalco was named Lotus Ventures Inc.

- On November 28, 2014, Amalco filed a non-offering prospectus in British Columbia in connection with its intention to delist its common shares trading on the TSXV and to list its shares for trading on the CSE. On December 8, 2014, its common shares commenced trading on the CSE.