

True Leaf Medicine Inc.
Financial Statements
March 31, 2014
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholder of
True Leaf Medicine Inc.

We have audited the accompanying financial statements of True Leaf Medicine Inc., which comprise the statement of financial position as at March 31, 2014, and the statements of comprehensive loss, changes in shareholders' deficit and cash flows for the period from incorporation on July 4, 2013 to March 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, 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of True Leaf Medicine Inc. as at March 31, 2014 and its financial performance and its cash flows for the period from incorporation on July 4, 2013 to March 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about True Leaf Medicine Inc.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

June 9, 2014

TRUE LEAF MEDICINE INC.
Statement of Financial Position
As at March 31, 2014
(Expressed in Canadian dollars)

Assets		
Current Assets		
Prepaid expenses	\$	4,000
Total Assets	\$	4,000
Liabilities and Shareholders' Deficit		
Current Liabilities		
Bank indebtedness	\$	337
Accounts payable and accrued liabilities		19,252
Due to related party (Note 5)		61,616
Total Liabilities		81,205
Shareholders' Deficit		
Share capital (Note 6)		12
Deficit		(77,217)
Total Shareholders' Deficit		(77,205)
Total Liabilities and Shareholders' Deficit	\$	4,000

Nature of Operations and Going Concern (Note 1)
Events After the Reporting Period (Note 10)

Approval on behalf of the Board of Directors on June 9, 2014:

"Darcy Bomford" Director

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

TRUE LEAF MEDICINE INC.
Statement of Comprehensive Loss
Period from Incorporation on July 4, 2013 to March 31, 2014
(Expressed in Canadian dollars)

Expenses

Accounting and Legal (Note 5)	\$	19,735
Advertising and promotions		7,653
Consulting fees		40,750
Office and administration		2,645
Travel		6,434

Loss and Comprehensive Loss for the Period	\$	77,217
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Loss per common shares – basic and diluted	\$ (202.14)
Weighted average number of common shares outstanding	382

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

TRUE LEAF MEDICINE INC.
Statement of Changes in Shareholders' Deficit
Period from Incorporation on July 4, 2013 to March 31, 2014
(Expressed in Canadian dollars)

	Number of Shares		Share Capital		Deficit		Total Shareholders' Deficit
Balance, July 4, 2013	-	\$	-	\$	-	\$	-
Incorporation shares issued	382		12		-		12
Loss for the period	-		-		(77,217)		(77,217)
Balance, March 31, 2014	382	\$	12	\$	(77,217)	\$	(77,205)

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

TRUE LEAF MEDICINE INC.

Statement of Cash Flows

Period from Incorporation on July 4, 2013 to March 31, 2014

(Expressed in Canadian dollars)

OPERATING ACTIVITIES		
Loss for the period	\$	(77,217)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities		19,252
Prepaid expenses		(4,000)
Due to related party		61,616
Net Cash Used In Operating Activities		(349)
FINANCING ACTIVITIES		
Incorporation shares issued for cash		12
Net Cash Provided by Financing Activities		12
Net decrease in cash		(337)
Bank indebtedness, Beginning of period		-
Bank indebtedness, End of period		(337)

There was no cash paid for interest or income taxes from July 4, 2013 (date of incorporation) to March 31, 2014.

There were no non-cash financing or investing activities from July 4, 2013 (date of incorporation) to March 31, 2014.

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

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
to March 31, 2014
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

True Leaf Medicine Inc. (the "Company") was incorporated on July 4, 2013 under the Business Corporations Act of the Province of British Columbia. The major activity of the Company will be the production and sale of Medical Marijuana in Canada. The Company's registered office is 32A – 100 Kalamalka Lake Road, Vernon, BC, V1T 9G1.

Subsequent to the period ended March 31, 2014, the Company split its share capital on the basis of 3.179 new common shares for 1 old share. All common shares, per share, and weighted average price amounts have been restated in these financial statements to reflect this share split.

(a) Going Concern

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. For the period from incorporation on July 4, 2013 to March 31, 2014, the Company incurred a loss of \$77,217. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through equity or debt transactions. Management is of the opinion that it does not have sufficient working capital and will require external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that financing will not be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Company prepared its financial statements in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements were authorized for issue by its Director on June 9, 2014.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
to March 31, 2014
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2. BASIS OF PREPARATION (cont'd...)

(b) Basis of Measurement and Use of Estimates

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The 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 reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) fair values of financial instruments; and
- ii) deferred income taxes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value net of transaction costs, if applicable. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss," "loans and receivables," "available-for-sale," "held-to-maturity," or "other financial liabilities measured at amortized cost" as follows:

i) Financial assets

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized in net loss for the period in which such gains or losses occur.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
to March 31, 2014
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest rate method. Under this method, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as interest income.

The Company does not hold any financial assets that are classified as loans and receivables and no financial assets have been classified as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income except for losses in value that are considered other than temporary. Upon disposal of an available-for-sale financial asset, any accumulated other comprehensive income or loss at the time of disposal is recognized in profit or loss. The Company does not hold any financial assets that have been classified as available-for-sale by the Company.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

ii) Financial liabilities

For financial liabilities classified as financial liabilities measured at amortized cost using the effective interest rate method, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as interest expense. The Company's bank indebtedness, accounts payable and accrued liabilities and due to related party are classified as financial liabilities measured at amortized cost, but as the terms of payment are generally of short duration, they are recorded at present value as the impact of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and/or with original maturities of three months or less. As at March 31, 2014, the Company does not have any cash or cash equivalents and is in an indebtedness position.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as items of equity (deficit). The measurement date is defined as the earliest of the dates at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

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

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized 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 probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Plant and equipment

Plant and equipment will be stated at cost less accumulated amortization. Plant and equipment will be amortized over their estimated useful lives at various rates and methods.

Revenue recognition

The Company will recognize revenue from customer orders upon shipment of the order when the sales price is fixed and determinable and collection is reasonably assured.

SR&ED refundable investment tax credits receivable

The Company carries on certain scientific research and development activities and is eligible to earn tax credits based on qualifying expenditures. Investment tax credits are reported as either a reduction of cost of the applicable assets or credited to the statement of comprehensive loss depending on the nature of the expenditures which gave rise to the credits. The Company expenses all research costs as incurred. Claims for investment tax credits are recorded when received.

Income tax expense will be comprised of current and deferred income taxes. Current income tax and deferred income tax will be recognized in profit or loss, except to the extent that they relate to items recognized directly in equity (deficit).

Current income tax will be the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT EFFECTIVE

The following standards are not expected to have any significant effect on the Company other than increased disclosure:

(a) IAS 32, Financial Instruments: Presentation

These amendments clarify requirements for offsetting of financial assets and liabilities, and are effective for annual periods beginning on or after January 1, 2014.

(b) IFRS 7, Financial Instruments - Disclosure

These amendments require additional disclosure on transition from IAS 39 to IFRS 9, and are effective for annual period beginning on or after January 1, 2015.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
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5. RELATED PARTY PAYABLES AND TRANSACTIONS

During the period from incorporation on July 4, 2013 to March 31, 2014, the Company paid or accrued a total of \$4,000 to its Chief Financial Officer for accounting services.

There were no other amounts paid or accrued for services provided by key management personnel during the period ended March 31, 2014.

As at March 31, 2014, the Company is indebted to its Chief Executive Officer in the amount of \$61,616 for expenses paid on the Company's behalf. The amount is unsecured, non-interest bearing with no scheduled terms of repayment. Subsequent to the period ended March 31, 2014, the amount was settled in full through issuance of additional common shares of the Company (Note 10).

6. SHARE CAPITAL

Authorized:

Unlimited	Class A common voting shares with no par value
Unlimited	Class B common voting shares with no par value
Unlimited	Class C common non-voting shares with no par value
Unlimited	Class D preferred non-voting share with a par value of \$0.10 per share

Issued:

During the period ended March 31, 2014, the Company issued a total of 382 Class A common shares on incorporation at \$0.03 per share for total proceeds of \$12.

7. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

TRUE LEAF MEDICINE INC.
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7. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd...)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of bank indebtedness, accounts payable and accrued liabilities and due to related party approximated their fair value because of the short-term nature of these instruments.

Risk

The Company is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of March 31, 2014:

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations which will result in a loss for the Company. The Company has no credit risk as of March 31, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting future obligations with financial liabilities. The Company is exposed to this risk mainly in respect to finance future growth.

Currency risk

The Company has no currency risk as of March 31, 2014.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is not at risk as of March 31, 2014.

TRUE LEAF MEDICINE INC.
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7. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd...)

Capital Management

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Period Ended
	March 31, 2014
Loss for the period	\$ (77,217)
Expected income tax recovery	\$ (20,075)
Change in unrecognized deductible temporary differences	20,075
Total income tax expense (recovery)	\$ -

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

	March 31, 2014
Deferred income tax assets	
Non-capital losses	\$ 20,100
Total unrecognized deferred income tax asset	\$ 20,100

The Company has non-capital losses of approximately \$77,000 available for deduction against future taxable income. These losses, if not utilized, will expire through to 2034. Future tax benefits which may arise as a result of these tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
to March 31, 2014

(Expressed in Canadian dollars)

9. COMMITMENTS

The Company has the following commitments as of March 31, 2014:

- (a) Contract with its Chief Financial Officer for services at a rate of \$2,000 per month commencing on March 1, 2014.
- (b) Consulting Agreement dated March 8, 2014 with Hedron Analytical Inc. to act as chair of the Company's Scientific Advisory Board, represent the Company at speaking engagements, provide input for website content, strain selection, growing techniques, and provide input on medicinal formulations at an agreed-upon hourly fee.
- (c) An option to lease land and building in Lumby, BC in return for payment of \$2,000 per month for a period of 12 months starting on March 27, 2014. The Option Agreement contains provisions for cancellation if the Company cannot demonstrate significant progress within four months to the satisfaction of the Lessor with respect to the Company's application to Health Canada for appropriate licensing for Medical Marijuana Production

10. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the period ended March 31, 2014:

- a) The Company received a "Ready to Build" notice from Health Canada in regards to its first license application, but it is still being reviewed pending issues with the location and local zoning. In April 2014, the Company secured a new location and has submitted another application.
- b) The Company issued a total of 2,499,618 common shares at \$0.03 per share to settle all amounts owing to the Company's Chief Executive Officer.
- c) The Company and its sole shareholder (the "Shareholder") entered into a Share Exchange Agreement with True Leaf Investments Corp. ("TL Investments") whereby TL Investments will acquire all of the issued and outstanding common shares of the Company by way of share exchange with the Shareholder, resulting in the Company becoming a wholly-owned subsidiary of TL Investments. The Shareholder will transfer all of the Company's outstanding common shares, totaling 2,500,000, to TL Investments in exchange for 25,000,000 common shares of TL Investments.

TL Investments (now consolidated with the Company) will enter into a Plan of Arrangement (Note 10(d)) whereby it will become the wholly owned subsidiary of True Leaf Medicine International Ltd. ("TL Medicine International"), which will apply to become a publicly listed entity on the Canadian Stock Exchange.

TRUE LEAF MEDICINE INC.
Notes to Financial Statements
For the Period from Incorporation on July 4, 2013
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10. EVENTS AFTER THE REPORTING PERIOD (cont'd...)

- d) The Company, now a wholly-owned subsidiary of TL Investments, entered into an Arrangement Agreement for a Plan of Arrangement (the "Arrangement") with Noor Energy Corporation ("Noor") and TL Medicine International whereby the TL Investments will acquire all of the issued and outstanding common shares of TL Medicine International from Noor (the "Purchase Shares") for the purchase price of \$20,000, \$19,900 of which was paid on signing on the Arrangement Agreement and the balance of \$100 of which will be payable on closing of the Arrangement. TL Investments and TL Medicine International will then complete a share exchange on a 1:1 basis, such that all of the issued and outstanding common shares of TL Investments shall be exchanged by their holders for the same number of common shares of TL Medicine International. TL Medicine International will then issue 355,000 of its common shares to Noor (the "Distribution Shares") in exchange for 5,000 common shares of Noor. The Distribution Shares will then be distributed to the shareholders of Noor on a pro-rated basis according to their shareholdings. The controlling shareholder of Noor has agreed to forego 155,000 Distribution Shares he would have received, which will be cancelled immediately following the distribution of the Shares to Noor's shareholders.

The Purchase Shares will then be cancelled. On closing of the Arrangement, TL Medicine International will become a reporting issuer in British Columbia and Alberta, and TL Investments will become its wholly-owned subsidiary.