PREVECEUTICAL MEDICAL INC.

1177 West Hastings Street
Suite 2200
Vancouver, British Columbia
V6E 2K3

CSE FORM 2A
LISTING STATEMENT

June 7, 2017

NOTE TO READER

This Listing Statement has been prepared in connection with a reverse take-over transaction which will constitute a "fundamental change" within the meaning of Exchange Policy 8. As such, the disclosure that follows relates to the business of the resulting issuer, whose common shares must be requalified for listing on the Exchange.

1. TABLE OF CONTENTS

GLOSSARY OF TERMS

The following words and terms used in this Listing Statement have the meanings set forth below:

"**affiliate**" has the meaning ascribed thereto under the BCBCA;

"**Amalco**" means the amalgamated corporation following the merger of Subco and TargetCo, which will be a wholly-owned subsidiary of the Issuer and which will be named "PreveCeutical Medical Holdings Inc." or such other name as may be agreed to by the Issuer and TargetCo;

"**Amalgamation**" means the merger of Subco and TargetCo to be completed pursuant to the BCBCA and the terms and conditions of the Amalgamation Agreement, the effect of which will be that all of the securityholders of TargetCo will become securityholders of the Issuer and TargetCo will be a wholly-owned subsidiary of the Issuer;

"**Amalgamation Agreement**" means the amalgamation agreement dated March 21, 2017 entered into between the Issuer, Subco and TargetCo;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Board**" or "**Board of Directors**" means the board of directors of the Issuer;

"**Carrara Financing**" means a non-brokered private placement by the Issuer of units (the "Units") at $0.50 per Unit for gross proceeds of at least $1 million to up to $5 million, with each Unit consisting of one common share in the capital of the Issuer and one transferrable common share purchase warrant, with each warrant entitling the holder to purchase one common share in the capital of the Issuer at the exercise price of $1.00 per share for a period of 12 months after the date of issuance of the Unit; provided that, if the closing price of the common shares on the Exchange is at least $1.50 or more per share for 10 consecutive business days, then the Issuer shall have the option of accelerating the expiration date for the exercise of said warrants by giving at least 14 business days' written notice to the holders thereof prior to the date of such accelerated expiration;

"**Consolidation**" means the consolidation of the Issuer's issued and outstanding common shares on the basis of one (1) post-consolidation share for every three (3) pre-consolidation shares, together with a corresponding and equal consolidation of the Issuer's issued and outstanding convertible securities, in accordance with the terms and conditions of such securities;

"**Exchange**" means the Canadian Securities Exchange;

"**Issuer**" means PreveCeutical Medical Inc. formerly Carrara Exploration Corp.;

"**Listing Statement**" means this Form 2A – *Listing Statement*, together with all appendices and schedules attached hereto;

"**RTO**" means the reverse take-over of the Issuer by TargetCo, which reverse take-over will be effected by: (i) the completion of the Amalgamation and (ii) the cancellation of TargetCo's class

A common shares and the issuance of an equal number of common shares in the capital of the Issuer to the former TargetCo securityholders;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investment funds across Canada, available at www.sedar.com;

"**Subco**" means 1110607 B.C. Ltd., a wholly-owned subsidiary of the Issuer;

"**TargetCo**" means 1050962 B.C. Ltd., formerly PreveCeutical Medical Inc.; and

"**Transaction**" means collectively, the Amalgamation and the RTO.

2. CORPORATE STRUCTURE

2.1 Corporate Name

The full corporate name of the Issuer is PreveCeutical Medical Corp., formerly Carrara Exploration Corp. Upon the completion of the Transaction, the Issuer changed its name to "PreveCeutical Medical Inc." and has a head office at Suite 2200, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3 and a registered and records office located at Suite 1170, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

2.2 Incorporation

The Issuer was incorporated on December 15, 2014 under the name "Carrara Exploration Corp." pursuant to the BCBCA.

The Issuer became a reporting issuer in British Columbia and Alberta on November 30, 2016 and had its common shares listed for trading on the Exchange on December 21, 2016 under the symbol CAA. Upon becoming listed on the Exchange the Issuer also became a reporting issuer in Ontario as of the same date.

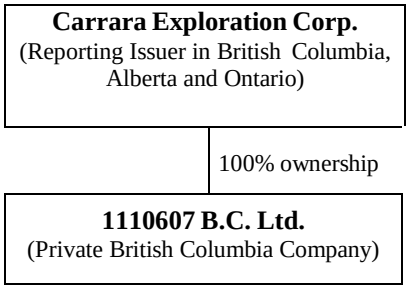
2.3 Intercorporate Relationships

The Issuer has one subsidiary, 1110607 B.C. Ltd. ("Subco"), which was incorporated pursuant to the BCBCA on March 10, 2017. The authorized share capital of Subco is an unlimited number of common shares without par value, of which there are 100 common shares outstanding and which are owned by the Issuer. Following the completion of the Transaction, the Issuer will have one subsidiary, PreveCeutical Medical Holdings Inc.

2.4 Fundamental Change

The Issuer is presently listed on the Exchange and, as the Transaction constitutes a fundamental change according to the policies of the Exchange, must requalify its securities for listing.

Prior to completion of the Transaction, the corporate structure of the Issuer is as follows:



Pursuant to an amalgamation agreement entered into between the Issuer, Subco and TargetCo on March 21, 2017 (the "Amalgamation Agreement"), TargetCo will become a wholly-owned subsidiary of the Issuer by way of a "three-cornered" amalgamation whereby TargetCo and

Subco will amalgamate and continue as one corporation (the "Amalgamation"), which will be a wholly-owned subsidiary of the Issuer. Upon completion of the Amalgamation, all of the issued and outstanding shares in the capital of TargetCo will be cancelled and the Issuer will issue an equal number of common shares in the Issuer's capital to the former TargetCo shareholders, who will then control a majority of the issued and outstanding voting securities of the Issuer (the "RTO"), constituting a reverse take-over of the Issuer by TargetCo (the Amalgamation and the RTO collectively being the "Transaction").

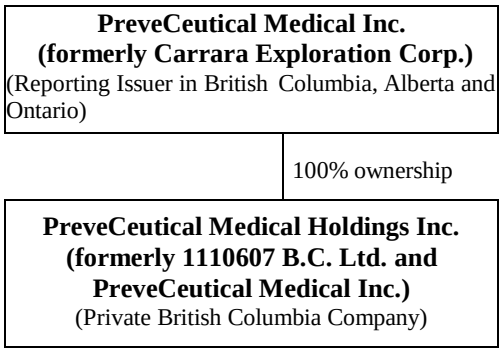
In connection with the Transaction, the Issuer will also:

1. consolidate its issued and outstanding common shares on the basis of one (1) post-consolidation share for every three (3) pre-consolidation shares with a corresponding and equal consolidation of the Issuer's issued and outstanding convertible securities in accordance with the terms and conditions of such securities (the "Consolidation");

2. conduct a financing of units at $0.50 per unit for gross proceeds of at least $1 million to up to $5 million, with each unit consisting of one common share in the capital of the Issuer and one transferrable common share purchase warrant (the "Carrara Financing"); and

3. change its name to "PreveCeutical Medical Inc."

Upon the closing of the Transaction, the corporate structure of the Issuer will be as follows:



2.5 Non-Corporate Issuers and Issuers Incorporated Outside Canada

The Issuer is not a non-corporate issuer and was not incorporated outside of Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Business of the Issuer

Since its inception, the Issuer has been engaged in the business of mineral exploration and the acquisition of mineral property assets in the Province of British Columbia. To this end, the Issuer entered into a property option agreement on December 15, 2014 with Craig A. Lynes and Rich River Exploration Ltd., whereby the Issuer was granted an irrevocable and exclusive option

to acquire a 100% interest in the Boomerang Property. For further information regarding the Boomerang Property, see the technical report prepared for the company titled "Boomerang Gold-Silver-Lead-Zinc Property, South-Central British Columbia, Canada" dated November 10, 2016 and the Issuer's prospectus dated November 29, 2016, which have been filed on the Issuer's SEDAR profile at www.sedar.com.

On December 21, 2016, the Issuer completed an initial public offering of 3,730,000 common shares at a price of $0.10 per share by way of a listing on the Exchange for gross proceeds of $373,000.

In February 2017, the Issuer announced its intention to complete the Transaction and continue the business of TargetCo. To this end, the Issuer entered into the Amalgamation Agreement with TargetCo and Subco on March 21, 2017 setting out the terms by which the Transaction will take place. Pursuant to the terms of the Transaction, the Issuer will terminate its option to acquire the Boomerang Property and will no longer be engaged in the business of mineral exploration and mineral property acquisition.

Upon the completion of the Transaction, the Issuer will be engaged in the health and wellness business with a focus on utilizing nature and science for the benefit of health-conscious consumers. In particular, the Issuer will be engaged in the development of nutraceuticals and natural health products containing peptides from Caribbean blue scorpion venom or medicinal plant-based elements (as further discussed below). The Issuer will also be engaged in the production and sale of its CELLB9™ Immune System Booster product ("CELLB9™"), an oral solution containing polarized and potentiated essential minerals extracted from a peptide obtained from Caribbean blue scorpion venom.

3.2 Significant Acquisitions and Dispositions

The Issuer has not completed any significant acquisitions or dispositions, other than discussed above.

By terminating its option to acquire the Boomerang Property, the Issuer will not incur any termination penalties or fees but must ensure that the Boomerang Property shall have sufficient assessment credits recorded against it at the date of such termination to keep it in good standing for a minimum of one year from the date of termination.

The Transaction requires financial statements under National Instrument 41-101 – *General Prospectus Requirements* as if this Listing Statement were a prospectus. The Issuer filed a Joint Management Information Circular dated April 24, 2017 on SEDAR and provided financial disclosure to the Issuer's shareholders ahead of the May 19, 2017 annual general and special meeting of shareholders.

Pursuant to the terms of the Transaction, the Issuer will acquire 100% of the issued and outstanding shares of TargetCo. As noted above, TargetCo is a health and wellness company engaged in the development of nutraceuticals and natural health products. The assets of TargetCo include:

- a nutraceutical product licence, which product TargetCo sells under the name CELLB9™;
- contracts for the development of intellectual property related to the development of additional natural health products;
- intellectual property relating to trademarks, know-how, business plans and customer lists; and
- websites.

In consideration for the Transaction, the shareholders of TargetCo will receive an aggregate of 40,729,408 post-consolidated common shares in the capital of the Issuer at a deemed issuance price of $0.50 per share.

The Transaction is expected to close on or about June 15, 2017. The object of the transaction is to transition the Issuer into an operating business generating revenue from the sales of the CELLB9™ product while providing future growth prospects through the research and development of additional health and wellness products.

Principal Steps of the Proposed Transaction

Pursuant to the terms of the Transaction, the following shall occur:

1. Subco and TargetCo will merge and continue as one corporation ("Amalco") under the BCBCA;

2. each issued and outstanding Subco share will be exchanged for one common share in the capital of Amalco, which will result in Amalco becoming a wholly-owned subsidiary of the Issuer;

3. all of the property, assets, rights and privileges of each of Subco and TargetCo shall become the assets, rights and privileges of Amalco, and all of the liabilities and obligations of each of Subco and TargetCo shall become the liabilities and obligations of Amalco;

4. each one of the issued and outstanding TargetCo class A common shares will be cancelled and the holders thereof will receive one fully paid and non-assessable common share in the capital of the Issuer for each previously held TargetCo share; and

5. the Issuer will change its name to "PreveCeutical Medical Inc." or such other name as agreed to by the Issuer and TargetCo and acceptable to the British Columbia Registrar of Companies and the Exchange.

Conditions Precedent to the Closing of the Proposed Transaction

In order for the Transaction to be completed, the following conditions precedent must be satisfied or waived, as applicable:

1. the Issuer and TargetCo having received all necessary approvals for the Transaction from their respective shareholders;

2. the Exchange having conditionally approved the Transaction and the requalification for listing of the Issuer's common shares on the Exchange;

3. the Issuer having effected the Consolidation;

4. the closing of the Carrara Financing, provided that such closing may be concurrent with the closing of the Transaction;

5. the Issuer having terminated its option to acquire the Boomerang Property;

6. the resignations of Stephen Butrenchuk and Robert Coltura as officers of the Issuer and Stephen Butrenchuk, Robert Coltura and A. Salman Jamal as directors of the Issuer having been received; and

7. the TargetCo shareholders who become "Related Persons" (as such term is defined in Exchange Policy 1 - *Interpretation and General Provisions*) as a result of the completion of the Transaction having entered into an escrow agreement.

A copy of the Amalgamation Agreement between the aforementioned parties dated March 21, 2017 has been posted on the Issuer's SEDAR profile at www.sedar.com. The Issuer and TargetCo are not "Related Entities" nor "Related Persons", as such terms are defined in Exchange Policy 1 – *Interpretation and General Provisions*.

Upon the completion of the Transaction, the proceeds from the Carrara Financing will be released from escrow and used for general working capital purposes and for research and development related to Caribbean blue scorpion venom peptides and the extraction, formulation and *ex vivo* evaluation of a nose-to-brain cannabinoid delivery system. In the event that the Carrara Financing is fully subscribed, the Issuer will apply the proceeds towards several other research and development projects, including dual-gene therapy treatments for obesity and diabetes (for which research program TargetCo has signed a letter of intent with Uniquest (as defined below) dated April 7, 2017).

A special resolution approving the Amalgamation was passed by the shareholders of TargetCo at a special meeting of shareholders held on May 12, 2017 by a vote of 81.9% in favour of the Amalgamation.

Special resolutions approving the RTO and Consolidation were unanimously passed by the shareholders of the Issuer at its annual general and special meeting of shareholders held on May 19, 2017.

Trends, Commitments and Uncertainties

Prior to the completion of the Transaction, the Issuer was a junior mining company and as such, there is no production, sales or inventory. Pursuant to the terms of the Transaction, the Issuer's business model will change to focus on the operations of TargetCo, which operations are focused on the development and sale of nutraceuticals and natural health products to consumers. Companies in this industry are subject to many and varied kinds of risks and the Issuer's financial performance will be dependent upon many factors. For a detailed discussion of these risks factors, refer to the section titled "Risk Factors" in this Listing Statement.

Apart from the risks noted in the "Risk Factors" section, the Issuer is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial condition or results of operations.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

Business Objectives

Upon completion of the Transaction, the Issuer's business objectives for the subsequent 12 month period are as follows:

1. increase sales and initiate wholesale distribution of CELLB9™ product by moving forward with its internet sales strategy and obtaining various registrations for the product;

2. develop a special formulation of polarized Caribbean blue scorpion venom in three therapeutic energy drinks. The drink formulations are in the product development stage and the Issuer anticipates offering the beverages for sale in North America in 2018;

3. develop an extensive patent portfolio and position specific synthesized peptide(s) for Investigational New Drug ("IND") program approval and Phase I clinical trials in partnership with established pharmaceutical industry participants. Phase I trials are used to test a new drug or treatment in a small group of people for the first time to evaluate its safety, determine a safe dosage range and identify side effects; and

4. conduct research and develop further preventive health treatments, including nose-to-brain delivery of cannabinoids ("CBDs", cannabinoids are chemical constituents of marijuana).

Milestones

The following are significant events and milestones that must be initiated or completed over the forthcoming 12 months for the Issuer's business objectives to be accomplished:

- in order to fund the above-mentioned business objectives, the Transaction and the Carrara Financing must be completed. See "Available Funds and Use of Proceeds" below;

- in order to boost sales of the CELLB9™ product as intended, the Issuer must complete its application to Health Canada for a Natural Product Number ("NPN") and undertake Nutraceutical/Holistic Medicine registrations for the United States and European Union; and

- In order to expand its patent portfolio, the Issuer must conduct a pre-clinical evaluation program of Caribbean blue scorpion venom, which it intends to complete under the direction of Dr. Makarand Jawadekar (who will be the Issuer's chief science officer following the completion of the Transaction. This clinical trial will also be necessary to propose a target product profile for the planned IND submission with the United States' Food and Drug Administration (the "US-FDA").

Available Funds and Principal Purposes

The total amount of funds available to the Issuer for achieving the business objectives set out above is $2,263,995 ($225,995 cash available and $2,038,000, being the current amount of subscription proceeds being held in escrow in connection with the Carrara Financing). In the event that the Carrara Financing is fully subscribed for, the funds available to the Issuer will be $5,225,995.

The Issuer expects to use the funds available to it as set out below:

Use of Available Funds	**Amount (assuming subscription proceeds received to date under the Carrara Financing) [(1)] ($)**	**Amount (assuming maximum $5 million raise under the Carrara Financing) ($)**
Costs related to the Transaction	80,000	80,000
General administrative expenses	519,450	779,450
Salaries, wages and benefits	537,840	683,640
Rent and utilities	161,750	161,750

Use of Available Funds	Amount (assuming subscription proceeds received to date under the Carrara Financing) [(1)] ($)	Amount (assuming maximum $5 million raise under the Carrara Financing) ($)
Research and development – Caribbean Scorpion venom-derived natural and synthetic peptides, extraction, formulation and ex vivo evaluation of CBDs for direct nose-to-brain delivery via Sol-Gels	372,771	372,771
Research and development – other projects including dual-gene therapy approach for obesity and diabetes using smart-siRNA and tissue targeted bio-responsive carrier systems	250,000	1,215,810

Notes:
(1) Subscription proceeds received to date in the aggregate amount of $2,038,000.

Principal Products and Services

Following the completion of the Transaction, the Issuer will be in the development stage, however, it will have one product for sale, the CELLB9™ product. CELLB9™ is an oral solution containing polarized and potentiated essential minerals extracted from a novel peptide, obtained from Caribbean blue scorpion venom. The solution is colorless and odourless and can be administered orally. As noted above, the Issuer will continue to market the product through TargetCo's website and internet sales strategy.

CellB9™'s active ingredient, scorpion venom, has anti-cancer properties which can be indirectly attributed to immune boosting, as it facilitates unmasking of tumors so that they are recognized by the immune system. Scorpion venom derived peptides, such as chlorotoxin, are also known to have therapeutic and diagnostic properties. For further information on the immune boosting properties of scorpion venom, see attached Schedule "C".

TargetCo acquired the right to distribute and market this product pursuant to a nutraceutical product licence and distribution agreement dated February 8, 2016. During the year ended December 31, 2016, sale of the CELLB9™ product generated $51,060 in revenue.

As discussed above, following the completion of the Transaction, the Issuer will be actively working to research and develop other health and wellness products utilizing peptides contained in Caribbean blue scorpion venom and CBDs. In order to develop such products, the Issuer intends to carry out a 36 month pre-clinical evaluation program to assess the currently available research data on nature identical peptides, synthesize targeted peptides and conduct a stability assessment and propose target product provide for an IND submission. In addition, research and

development activities will be carried out pursuant to two distinct research and option agreements with UniQuest PTY Limited. ("UniQuest"), the terms of which are set out below.

(a) The first research and option agreement between TargetCo and UniQuest is dated effective April 18, 2017, pursuant to which UniQuest is to conduct a research program for the development of scorpion venom-derived natural and synthetic peptides for the commercialization of Caribbean blue scorpion venom-derived products by TargetCo.

The goal of this research program is to identify and isolate the bioactive peptides from Caribbean blue scorpion venom, synthesize and modify the active peptide sequences, assess their efficacy in glioma models, explore their augmented actions through co-delivery of drugs and/or genes, develop more specific, individualized therapies for diseases, and ultimately identify other therapeutic and diagnostic applications for the peptides isolated and identified from Caribbean blue scorpion venom.

The duration of the proposed research program is up to 24 months and will encompass the identification of milked Caribbean blue scorpion venom containing peptides, chemical synthesis of natural and engineered peptide variants stabilized with UniQuest's proprietary chemistry, followed by screening the peptides in disease models of interest. The proposed research will be carried out in three phases.

Intellectual property arising from this research program (excluding any improvements to existing intellectual property used in the research program) will be owned by TargetCo. At any time during this research program or within 60 days after the completion of the program, this agreement provides TargetCo with an option to negotiate with UniQuest for an exclusive worldwide licence to use UniQuest's intellectual property in bio-reducible amino acid derivatives, bio-reducible peptide dendrimers synthesized from the amino acid derivatives, methods and know-how for producing such bio-reducible derivatives and dendrimers for the commercialization of Caribbean blue scorpion venom derived products by TargetCo. The granting of the licence is subject to the parties negotiating the terms of the grant and entering into a definitive licensing agreement, pursuant to which such licence would be subject to a royalty of 3% of net sales payable by TargetCo to UniQuest and other payments to be agreed upon in such definitive agreement.

(b) The second research and option agreement between UniQuest and TargetCo is dated effective April 22, 2017, pursuant to which UniQuest is to conduct a research program for the extraction, formulation and *ex vivo* evaluation of CBDs for local, systemic and direct nose-to-brain delivery via soluble gels ("sol-gels") for the commercialization of nasal delivery of CBDs by TargetCo.

Under this research program, TargetCo is seeking the development and evaluation of translatable formulations for systemic/central nervous system ("CNS") delivery of CBDs for which sol-gels present an ideal platform for achieving this aim, being in-solution upon administration, and rapidly gelling upon contact with mucosal tissue, paving the way for safer, reliable drug delivery for agents, such as CBDs, that are rapidly metabolized, or that would benefit from direct nose-to-brain CNS delivery to provide clinical benefit.

The duration of this proposed research program is approximately 30 months. The proposed research program will be carried out in three phases and will encompass the bulk fractioned extraction and high performance liquid chromatography fingerprinting of plant-derived CBDs, formulation of sol-gels infused with fractionated CBD extracts, and performing longitudinal CBD-fraction delivery study form lead sol-gels.

Intellectual property arising from this research program (excluding any improvements to existing intellectual property used in the research program) will be owned by TargetCo. At any time during this research program or within 60 days after the completion of the research program, this agreement provides TargetCo with an option to negotiate with UniQuest for an exclusive worldwide licence to use UniQuest's intellectual property in sol-gels for rapid gelation on contact with nasal mucosal tissue for the commercialization of nasal delivery of CBDs by TargetCo. The granting of this licence is subject to the parties negotiating the terms of the grant and entering into a definitive licensing agreement, pursuant to which such licence will be subject to a royalty of 5% of net sales payable by TargetCo to UniQuest in addition to other payments to be contemplated under the definitive agreement.

Production and Sales

The CELLB9™ product is produced by a third party US-FDA approved facility in the United States. The right to sell, distribute and market this product is provided pursuant to a nutraceutical product licence and distribution agreement dated February 8, 2016 between TargetCo and Medolife International, Inc. ("Medolife"). Pursuant to this agreement, Medolife retains title to the patent protecting the CELLB9™ product but licenses it to TargetCo for commercialization.

Following the completion of the Transaction, the Issuer will continue to sell the CELLB9™ product online through TargetCo's website and will move forward with an internet sales strategy, a distribution strategy and will apply for various health product registrations (discussed above) in order to increase sales.

Competitive Conditions

A limited supply of Caribbean blue scorpion venom for the production of the CELLB9™ product is available from the following three suppliers:

1. Escozul produced by LifEscozul, based in Ecuador with product produced in Cuba;

2. Escozine produced by Medolife, based in the United States of America with product produced in Cuba; and

3. Vidatox produced by Labiofam based in Cuba with product produced in Cuba.

For further competitive conditions, please refer to "Risk Factors" below.

Lending Operations

This section is not, and will not be following the completion of the Transaction, applicable to the Issuer.

Bankruptcy and Receivership

There have been no bankruptcy, receivership or similar proceedings by TargetCo, the Issuer or any of its subsidiaries within the three most recently completed financial years or the current financial year.

Material Restructuring

The Issuer has not completed any material restructuring transactions within the three most recently completed financial years, however during the current financial year it proposes to: (i) complete the Consolidation; and (ii) complete the Transaction.

Social or Environmental Policies

Neither the Issuer nor TargetCo has implemented any social or environmental policies that are, or will be following the completion of the Transaction, fundamental to the Issuer's operations.

4.2 Asset Backed Securities

The Issuer does not have any asset backed securities.

4.3 Companies with Mineral Projects

Following the completion of the Transaction, the Issuer will not have any mineral projects.

4.4 Companies with Oil and Gas Operations

The Issuer does not have, and will not have following the completion of the Transaction, any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table summarized selected financial information from the Issuer's audited financial statements for the financial years ended July 31, 2016, the period from incorporation to July 31, 2015 and the unaudited financial statements for the three month period ended October 31, 2016 and the six month period ended January 31, 2017.

	For the Year/Period Ended July 31		For the Three Months Ended October 31, 2016	For the Six Months Ended January 31, 2017
Operating Data	**2016**	**2015**		
Total revenues	Nil	Nil	Nil	Nil
Exploration Expenditures	$15,000	$50,391	$15,000	$37,300
Management Fees	$40,000	Nil	$16,500	$28,500
Professional fees	$4,670	$7,312	$23,623	$60,117
General and administrative expenses	$12,314	$1,439	$3,415	$10,102
Consulting	$1,250	$2,400	Nil	Nil
Rent	$8,000	Nil	$3,000	$3,910
Transfer agent and filing fees	Nil	Nil	$8,303	12,823
Travel and Promotion	Nil	Nil	$4,268	$4,027
Stock-based compensation	$11,400	$51,300	$49,917	Nil
Net Loss	($77,634)	($62,451)	($106,025)	($119,479)
Basic and diluted loss per common share	$0.02	$0.02	($0.01)	($0.01)
Cash dividends per share	Nil	Nil	Nil	Nil
Balance Sheet Data				
Total assets	$122,954	$79,749	$111,324	$264,535
Long-term financial liabilities	Nil	Nil	Nil	Nil

The following table summarizes selected information from TargetCo's audited financial statements for the financial year ended December 31, 2016 and the period ended December 31, 2015.

	For the Year/Period Ended December 31	
Operating Data	**2016**	**2015**
Total revenues	$31,054	Nil
Cost of goods	$33,121	Nil
Advertising and promotion	$70,920	$6,892
Professional fees	$216,342	$2,375
General and administrative expenses	$807,212	$107,440
Consulting	$271,849	Nil
Rent and utilities	$36,852	$6,300
Stock-based compensation	$1,321,975	Nil
Asset impairment	$400,000	Nil
Net Loss	$3,127,217	$123,007
Basic and diluted loss per common share	(0.0815)	(0.0076)

	For the Year/Period Ended December 31	
Operating Data	**2016**	**2015**
Cash dividends per share	Nil	Nil
Balance Sheet Data		
Total assets	$107,682	$35,002
Long-term financial liabilities	Nil	Nil

5.2 Quarterly Information

Neither the Issuer nor TargetCo has been a reporting issuer for the eight most recently completed quarters ended at the end of the most recently completed financial year and neither has prepared quarterly financials for all such periods.

5.3 Dividends

Other than as set out in the *Securities Act* (British Columbia), there are no restrictions that would prevent the Issuer or TargetCo from paying dividends, however, neither the Issuer nor TargetCo has declared or paid any dividends since incorporation and neither have established any dividend or distribution policy. Any decision to pay dividends in the future will be made by the board of directors of the Issuer on the basis of earnings, financial requirements and other conditions existing at such time.

5.4 Foreign GAAP

The Issuer is not presenting consolidated financial information on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual Management's Discussion & Analysis ("MD&A")

The following discussion of the operating results and financial position of the Issuer should be read in conjunction with the audited financial statements and related notes for the year ended July 31, 2016 and for the period from incorporation to July 31, 2015. The financial statements are included in the Issuer's Prospectus dated November 29, 2016, which may be viewed on the Issuer's SEDAR profile at www.sedar.com. and should be referred to when reading this disclosure. The financial statements summarize the financial impact of the Issuer's financings, investments and operations, which financial statements have been prepared in accordance with International Financial Reporting Standards. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The effective date of this MD&A is September 30, 2016.

Prior to December 21, 2016, the Issuer was not a reporting issuer and was not required to prepare interim financial statements, therefore, quarterly results prior to such time are not available.

Financial Period Ended July 31, 2016

During the financial period ended July 31, 2016, the Issuer reported nil revenue and a net loss of ($77,634) ($0.02 per common share). The Issuer incurred $4,670 for professional fees, $12,314 for general administrative expenses and $1,250 for consulting expenses during the financial period. The Issuer also paid the aggregate amount of $40,000 in management fees to private companies controlled by directors of the Issuer, as to $20,000, to Matalia Investments Ltd., a company controlled by Robert Coltura and, as to $20,000, to Syndicated Capital Corp., a company controlled by A. Salman Jamal.

J.A. Minni & Associates, a private company controlled by Jerry Minni, who is the former Chief Financial Officer and a former director of the Issuer, provided accounting services to the Issuer during the financial period ended July 31, 2016, at a cost of $2,700.

As at July 31, 2016, the Issuer owed $5,250 to Matalia Investments Ltd. and Syndicated Capital Corp. The amounts are non-interest bearing, unsecured and are due upon demand.

During the financial period ended July 31, 2016, the Issuer incurred exploration expenditures in the aggregate amount of $15,000.

The Issuer paid $7,500 in share issuance costs and received $106,500 in gross proceeds for shares issued, $900 of which was received for shares issued in the period ended July 31, 2015. The issuer was deemed to have incurred a share-based compensation expense of $11,400 due to that fact that 600,000 shares worth an estimated $12,000 were issued at a price of $0.001 per share for proceeds of $600.

Financial Period Ended July 31, 2015

During the financial period ended July 31, 2015, the Issuer reported nil revenue and a net loss of ($62,451) ($0.02 per common share). The Issuer incurred $7,312 for professional fees, $1,439 for general and administrative expenses and $2,400 for consulting expenses during the financial period. As at July 31, 2015, the Issuer did not have any indebtedness.

During the financial period ended July 31, 2015, the Issuer incurred exploration expenditures in the aggregate amount of $50,391.

The Issuer received gross proceeds of $90,900 for shares issued, however, the Issuer was deemed to have incurred a share-based compensation expense of $51,300 due to the fact that 2,700,000 shares worth an estimated $54,000 were issued at a price of $0.001 per share for proceeds of $2,700.

Liquidity and Capital Resources

The Issuer does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its common shares to fund its operations. As of July 31, 2016, its capital resources consisted of a cash balance of $54,941 and accounts receivable of $2,622. The Issuer

also had an accounts payable balance of $10,439. The Issuer expects that it will be able to meet its current obligations as they come due with its existing cash and other receivable balances. The Issuer's sole property is the Boomerang Property located in Rhone, British Columbia, consisting of seven contiguous mineral tenures. The Issuer has the option of acquiring a 100% interest in the Boomerang Property, subject to a 3% net smelter returns royalty, as set out in the Property Option Agreement (see "General Development of the Business" above). The Issuer is not required to make any exploration expenditures on the Boomerang Property or make payments of cash installments to the Optionors until 36 months after the listing date of the common shares on the Exchange. In order to meet future exploration commitments and cash payments, the Issuer will require additional capital resources.

The Issuer's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements are prepared on a going-concern basis, which implies that the Issuer will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Issuer were unable to achieve and maintain profitable operations.

Interim MD&A

The Issuer's MD&A for the three months ended October 31, 2017 and the six months ended January 31, 2017 are available on the Issuer's SEDAR profile at www.sedar.com.

7. MARKET FOR SECURITIES

The Issuer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and its securities were listed on the Exchange under the symbol CAA. Listing commenced on December 21, 2016.

Trading of the Issuer's common shares on the Exchange was halted on March 21, 2017 pending the completion of the Transaction. The trading symbol of the Issuer has changed to "PREV" and it is anticipated that the Issuer's common shares will resume trading on July 12, 2017.

8. CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year, however, prior to the completion of the Transaction, the Issuer will carry out the Consolidation.

The following table sets forth the capitalization of the Issuer upon the completion of the Transaction (and giving effect to the Consolidation):

Designation of Security	Authorized Amount	Amount Outstanding after Transaction	Amount Outstanding after Transaction (assuming maximum raise of $5 million under Carrara Financing)
Common Shares	Unlimited	48,996,275	54,725,075
Warrants	N/A	4,271,200	10,000,000
Agent's Options	N/A	124,566	124,566
Stock Options	10% of issued and outstanding common shares	399,568	399,568

Notes:
(1) Including 4,271,200 common shares issued pursuant to first tranche of Carrara Financing.

9. OPTIONS TO PURCHASE SECURITIES

Stock Options

As of the date of this Listing Statement, there are 4,574,134 stock options issued and outstanding. Upon the completion of the Transaction, stock options exercisable for class A common shares in the capital of TargetCo will become exercisable for common shares in the capital of the Issuer. The following table sets out information about the stock options that will be outstanding upon the completion of the Transaction:

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
All executive officers and past executive officers as a group (9 persons)	Common Shares	133,334	$0.30	September 7, 2021
		70,733	$0.66	May 18, 2019
		3,000,000	$0.25	August 10, 2020
		250,000	$0.50	June 28, 2021
All directors and past directors who are not also executive officers as a group (3 persons)	Common Shares	133,334	$0.30	September 7, 2021
		62,167	$0.66	May 18, 2019
		300,000	$0.25	August 10, 2020
All employees who	Common Shares	300,000	$0.25	August 10, 2020

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
are not also directors (3 persons)		200,000	$0.50	January 28, 2021
Agent's Options	Common Shares	124,566	$0.30	December 21, 2018

Description of 2016 Stock Option Plan

The Issuer's stock option plan (the "Stock Option Plan") was approved by the Issuer's directors on September 7, 2016 and by the Issuer's shareholders on May 19, 2017. The purpose of the Stock Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees and consultants (together "service providers") of the Issuer and of its affiliates and to closely align the personal interests of such service providers with the interests of the Issuer and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Issuer issued and outstanding from time to time.

The Stock Option Plan will be administered by the Board, who will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Issuer and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Issuer's shares on the Exchange on the date of grant of such options, less the maximum discount permitted under the Exchange policies. The Stock Option Plan provides that the number of common shares issuable on the exercise of options granted to all persons together with all of the Issuer's other previously granted options may not exceed 10% of the Issuer's issued and outstanding common shares on a non-diluted basis, from time to time. In addition, the number of common shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the common shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Agent's Options

In connection with the Issuer's initial public offering of its common shares completed on December 21, 2016, 373,700 options were issued as "agent's options" to Haywood Securities Inc. and certain designees of Haywood Securities Inc. for the provision of agent's services. The agent's options are exercisable at a price of $0.30 per common share until December 21, 2018. Following the completion of the Transaction, the agent's options were consolidated to124,566 agent's options pursuant to the Consolidation.

10. DESCRIPTION OF THE SECURITIES

10.1 General

The authorized share capital of the Issuer consists of an unlimited number of common shares without par value. The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each common share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the common shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

10.2 – 10.6 Debt Securities, Other Securities, Modification of Terms and Other Attributes

None of the matters set out in sections 10.2 to 10.6 of this Listing Statement are applicable to the Issuer.

10.7 Prior Sales

The following table sets out the sales of securities of the Issuer prior to the date of this Listing Statement[(3)]:

Issue Date	Price Per Common Share	Number of Common Shares Issued	Proceeds to the Issuer
July 8, 2016	$0.05	1,500,000	$75,000
December 21, 2016	$0.10	3,737,000	$373,000
December 21, 2016	N/A	300,000[(1)]	N/A
December 21, 2016	N/A	150,000[(2)]	N/A
	Total	**5,687,000**	**$448,000**

Notes:
(1) Issued to the optionors of the Boomerang Property pursuant to a property option agreement.
(2) Issued to Haywood Securities Inc. as corporate financing shares in consideration with agent services provided in connection with the initial public offering of the Issuer's common shares.

The following table sets out the sales of securities of TargetCo prior to the date of this Listing Statement:

Issue Date	Price Per Common Share	Number of Common Shares Issued	Proceeds to the Issuer
June 17, 2016	$0.25	1,395,000	$348,750.00
June 25, 2016	$0.25	16,000	N/A(1)
June 26, 2016	$0.25	3,200	N/A(1)
July 4, 2016	$0.25	920,000	$230,000.00
August 7, 2016	$0.25	100,000	N/A(1)
August 24, 2016	$0.25	500,000	$125,000.00
August 25, 2016	$0.25	396,300	$99,075.00
December 15, 2016	$0.50	88,081	$43,790.50
December 15, 2016	USD 0.35	71,427	$33,176.00
February 15, 2017	USD 0.35	2,000	$938.21
	Total	**3,492,008**	**$880,729.71**

Notes:
(1) Issued as consideration for services rendered to TargetCo.

In connection with the Transaction, the Issuer closed the initial tranche of the Carrara Financing in the amount of 4,271,200 Units. Pursuant to the terms of the Carrara Financing, the Issuer may sell up to 10,000,000 Units.

10.8 Stock Exchange Price

The Issuer's common shares have been listed for trading on the Exchange under the symbol "CAA" since December 21, 2016. Trading of the Issuer's common shares was halted on March 21, 2017 pending the completion of the Transaction and the approval by the Exchange of same.

The following table sets out the high and low trading prices, as well as the trading volume, for the Issuer's common shares on the Exchange for the periods indicated since same were listed for trading.

Trading Price and Volume December 21, 2016 to March 15, 2017			
Period	**High ($)**	**Low ($)**	**Volume**
March 1 to 15, 2017	0.26	0.155	488,500
February 2017	0.29	0.115	588,500
January 2017	0.13	0.115	10,000

December 21 to 31, 2016	N/A	N/A	Nil

11. ESCROWED SECURITIES

The following table sets forth the details of the common shares that are subject to escrow as of the date of this Listing Statement:

Name	No. of Escrowed Common Shares(1)	Percentage of Issued and Outstanding Common Shares
Robert Coltura	1,530,000	3.12%
A. Salman Jamal	1,530,000	3.12%

Notes:
(1) Pursuant to an escrow agreement made as of September 30, 2016 (the "Escrow Agreement"), among the Issuer, TSX Trust Company (the "Escrow Agent") and certain principals of the Issuer (the "Principals"), the Principals agreed to deposit into escrow their common shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the date that the Issuer's common shares were listed on the Exchange and that, where there are no changes to the common shares initially deposited and no additional Escrowed Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6 month interval thereafter, over a period of 36 months.

Following the completion of the Transaction, the following common shares of the Issuer held by new "Related Persons" of the Issuer, will be subject to escrow requirements imposed by the Exchange as follows:

Name	No. of Escrowed Issuer Shares	Percentage of Issued and Outstanding Issuer Shares (assuming subscription proceeds received to date under the Carrara Financing) (1)	Percentage of Issued and Outstanding Issuer Shares (assuming maximum $5 million raise under Carrara Financing)(1)
Stephen Van Deventer	8,160,000	16.65%	14.91%
Kimberly Van Deventer	7,000,000	14.29%	12.79%
Cornerstone Global Partners Inc.	9,172,100	18.72%	16.76%
Alicia Rebman	110,000	0.22%	0.20%
Nicole Goncalves-Krysinski	500,000	1.02%	0.91%
Makarand Jawadekar	500,500	1.02%	0.91%
Greg Reid	500,000	1.02%	0.91%
Shabira Rajan	500,000	1.02%	0.91%
H&J Beauchamp Family Trust	500,000	1.02%	0.91%

Notes:

(1) Rounded up to two decimal places with 48,996,275 and 54,725,075 issued and outstanding common shares in the capital of the Issuer assuming the current and maximum amounts raised, respectively, under the Carrara Financing.

The securities of the Issuer that are held by new Related Persons and subject to escrow will be held pursuant to the terms of an escrow agreement to be entered into and shall be released in accordance with the release schedule set forth therein. The escrow agreement will be in the form prescribed by Exchange Policy 2 – *Qualifications for Listing*.

Pursuant to the escrow agreement, 10% of the escrowed common shares will be released by the escrow agent on the date that the Issuer's common shares commence trading on the Exchange followed by six subsequent releases of 15% every six months thereafter, subject to the rules of the Exchange.

Additionally, stock options held by related persons will be held in escrow under the same terms as the Issuer's common shares subject to escrow – these options are as follows:

Name of Related Person	**No. of Escrowed Options**
Stephen Van Deventer	250,000
Kimberly Van Deventer	250,000
Shabira Rajan	500,000
Alicia Rebman	750,000
Brian Harris	1,000,000
Makarand Jawadekar	500,000
Greg Reid	300,000

Additionally, common share purchase warrants held by related persons will be held in escrow under the same terms as the Issuer's common shares subject to escrow – these warrants are as follows:

Name of Related Person	**No. of Escrowed Warrants**
Stephen Van Deventer	360,000

Following the completion of the Transaction, common shares in the capital of the Issuer held by the following persons who were former "related persons" of TargetCo will be subject to escrow requirements similar to those imposed by the Exchange and the aforementioned contemplated escrow agreement for the new related persons of the Issuer:

Name of Person	**No. of Escrowed Securities**
Jeremy Wright[(1)]	500,000
Seatrend Strategy Group[(2)]	253,000
Hill Road Capital Inc.[(3)]	2,000,000

Notes:

(1) Jeremy Wright served as CFO of TargetCo from February 17, 2016 to August 31, 2016, and resigned as a director of TargetCo on February 19, 2017.
(2) Jeremy Wright provided his services as CFO to TargetCo as a consultant under a consulting agreement between Seatrend Strategy Group and TargetCo, and holds class A common shares in the capital of TargetCo indirectly through Seatrend Strategy Group of which Mr. Wright is the sole shareholder.
(3) Brian Harris provides his services as TargetCo's Vice President, Corporate Development under a consulting agreement between Hill Road Capital Inc. ("Hill Road") and TargetCo, and Hill Road currently holds 2,000,000 class A common shares in the capital of TargetCo.

Any common shares or other securities that may be issued to Related Persons as a result of the conversion of any convertible securities (other than options) will be subject to escrow under the same terms as the Issuer's common shares.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the Issuer, as of the closing of the Transaction, no shareholder will beneficially own or exercise control or direction over common shares in the capital of the Issuer carrying more than 10% of the votes attached to such common shares, except the following:

Name of Shareholder	Number of Common Shares Beneficially Owned or Controlled	Percentage of Outstanding Issuer Shares (assuming subscription proceeds received to date under the Carrara Financing) [(1)]	Outstanding Issuer Shares (assuming maximum $5 million raise under Carrara Financing)[(1)]
Stephen Van Deventer	17,332,100[(3)]	35.37% (31.02)[(4)]	31.67% (25.89)[(5)]
Kimberly Van Deventer	7,000,000	14.29% (12.53)[(4)]	12.79% (10.46)[(5)]
Cornerstone Global Partners Inc.[(2)]	9,172,100	18.72% (15.86)[(4)]	16.76% (13.24)[(5)]

Notes:
(1) Rounded to two decimal places with 48,996,275 and 54,725,075 common shares issued and outstanding assuming the current and maximum amounts raised, respectively, under the Carrara Financing.
(2) Kimberly Van Deventer is a director, Stephen Van Deventer a director and chief executive officer, and both holders of more than 10% of voting securities of Cornerstone Global Partners Inc.
(3) Including 8,160,000 common shares registered in Mr. Van Deventer's name and 9,172,100 common shares registered in the name of Cornerstone Global Partners Inc., of which is controlled by Mr. Van Deventer.
(4) Rounded to two decimal places on a fully diluted basis, assuming 8,845,334 (using current amount of Carrara Financing) convertible securities of the Issuer outstanding.
(5) Rounded to two decimal places on a fully diluted basis, assuming 14,574,134 (maximum amount of Carrara Financing) convertible securities of the Issuer outstanding.

13. DIRECTORS AND OFFICERS

13.1 – 13.3 Name, Residence, Position, Term of Office and Security Holdings of Directors and Officers

Upon completion of the Transaction, the Issuer's board of directors and officers will consist of the individuals set out in the table below, to hold office until the Issuer's next annual general meeting of shareholders, unless his or her office is vacated earlier:

Name, province or state and country of residence and proposed position with the Issuer	Principal occupation during past five years	Director or Officer of Issuer Since	Number of Common Shares	Percentage of Outstanding Common Shares[2]	Percentage of Outstanding Common Shares[3]
Stephen Van Deventer[1] British Columbia Canada *Chairman and Chief Executive Officer*	Entrepreneur; owner of Cornerstone Global Partners Inc.	N/A	8,160,000	16.65% (35.73)[4]	14.91% (31.67)[4]
Kimberly Van Deventer British Columbia, Canada *Director and President*	Entrepreneur; owner of Cornerstone Global Partners Inc.	N/A	7,000,000	14.29%	12.79%
Brian Harris British Columbia, Canada *Director and VP Corporate Development*	Entrepreneur; partner at MSI Marketing Services International	N/A	N/A	N/A	N/A
Greg Reid[1] California, United States *Director*	Entrepreneur; public speaker; chief executive offer of The Millionaire Mentor, Inc.	N/A	500,000	1.02%	0.91%

Name, province or state and country of residence and proposed position with the Issuer	Principal occupation during past five years	Director or Officer of Issuer Since	Number of Common Shares	Percentage of Outstanding Common Shares[(2)]	Percentage of Outstanding Common Shares[(3)]
Matthew Coltura[(1)] British Columbia, Canada *Director*	Student enrolled in Business Administration Program; director of Stone Ridge Exploration Corp.; sales representative (part-time) at Envision Financial.	July 7, 2016	N/A	N/A	N/A
Makarand Jawadekar Connecticut, United States *Chief Science Officer*	Entrepreneur and owner of Melinda Consulting LLC, a Pharmaceutical Consulting company.	N/A	500,500	1.02%	0.91%
Harendra Parekh Queensland, Australia *Chief Research Officer*	Senior Lecturer & Research Group Lead ‑ Drug/Gene Delivery, at the University of Queensland, School of Pharmacy	N/A	N/A	N/A	N/A
Shabira Rajan British Columbia, Canada *Chief Financial Officer and Controller*	Entrepreneur and owner of SHROF Financial Management and Accounting	N/A	500,000	1.02%	0.91%

Name, province or state and country of residence and proposed position with the Issuer	Principal occupation during past five years	Director or Officer of Issuer Since	Number of Common Shares	Percentage of Outstanding Common Shares[(2)]	Percentage of Outstanding Common Shares[(3)]
Nicole Goncalves-Krysinski New Jersey, United States *Chief Legal Officer and Controller*	Lawyer and partner at the firm of Schwartz & Krysinski, L.L.P.	N/A	500,000	1.02%	0.91%
Alicia Rebman British Columbia, Canada *Vice President of Marketing and Advertising*	Marketing professional. Previously employed by Hartley Marks Group as Marketing Director.	N/A	110,000	0.22%	0.20%

Notes:
(1) Proposed members of the audit committee of the Issuer following the completion of the Transaction.
(2) Rounded to two decimal places assuming 48,996,275 common shares issued and outstanding due to the current amount raised under the Carrara Financing.
(3) Rounded to two decimal places assuming 54,725,075 common shares issued and outstanding due to the maximum amount being raised under the Carrara Financing.
(4) Percentage including 9,172,100 common shares held by Cornerstone Global Partners Inc., a company controlled by Stephen Van Deventer.

Upon completion of the Transaction, the directors and executive officers of the Issuer will beneficially own, directly or indirectly, as a group, 26,442,600 common shares of the Issuer representing approximately 53.97% (assuming the current amount raised under the Carrara Financing) or 48.32% (assuming the maximum amount raised under the Carrara Financing) of all of the outstanding voting securities of the Issuer.

13.4 Board Committees

Upon the completion of the Transaction, the Issuer will have one committee, the audit committee, whose members will consist of Stephen Van Deventer, Greg Reid and Matthew Coltura. All of the members of the audit committee are financially literate; neither Greg Reid nor Matthew Coltura will be an executive officer, employee or control person of the Issuer.

13.5 Other Reporting Issuer Experience

In addition to their positions on the board of directors, the following directors and officers also serve as directors and officers of the following reporting issuers:

Name	Reporting Issuer
Matthew Coltura	Stone Ridge Exploration Corp. Cayenne Capital Corp.

13.6 Cease Trade Orders or Bankruptcies

Other than as disclosed herein, to the knowledge of the Issuer, no director, officer or shareholder holding a sufficient number of securities to materially affect the control of the Issuer is, as of the date of this Listing Statement or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that:

(a) was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed herein, no director, officer or shareholder holding a sufficient number of securities to materially affect the control of the Issuer:

(a) is, as of the date of this Listing Statement or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within ten years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

13.7 – 13.8 Penalties and Sanctions

No director, officer or shareholder holding sufficient securities to affect materially the control of the Issuer has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

13.9 Personal Bankruptcies

Except as disclosed herein, to the Issuer's knowledge no existing or proposed director, officer, or shareholder holding sufficient securities to affect materially the control of the Issuer, or a personal holding company of any such persons, has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Kimberly Van Deventer previously had undergone personal bankruptcy and was subsequently discharged. At the time of her bankruptcy, Ms. Van Deventer was undergoing a marital divorce from her partner, where both were co-founders and equity partners in a company directly owning a Vancouver-based restaurant that became financially distressed as a result of the economic downturn and recession during that time, ceasing operations May 30, 2012. Ms. Van Deventer was discharged from her personal bankruptcy on April 27, 2013.

13.10 Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer, or a subsidiary of the Issuer as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

The foregoing, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers themselves.

13.11 Management

Stephen Van Deventer, Director (Chairman) and Chief Executive Officer

Mr. Van Deventer (47 years old) is an experienced businessman, corporate director and co-owner of Cornerstone Global Partners Inc. Specializing in international corporate relations and business development over the last twenty-five years, Mr. Van Deventer has focused on launching small to medium sized companies into the public markets in Canada, the United States and Europe. He has also owned and operated private companies. Mr. Van Deventer will devote 100% of his time to the affairs of the Issuer and will be an employee of the Issuer. As Chief Executive Officer, Mr. Van Deventer will be responsible for operationalizing the Board's strategic plan.

Kimberly Van Deventer, Director and President

Ms. Van Deventer (51 years old) is an entrepreneur with a successful track record of accomplishment and is co-owner of Cornerstone Global Partners Inc. Motivated and determined, she was ranked the third highest grossing female business owner in British Columbia, Canada in 2009. Ms. Van Deventer is unwavering in her commitment to bring awareness of health and disease prevention to people everywhere. She will devote 100% of her time to the affairs of the Issuer. Ms. Van Deventer will be an employee of the Issuer and, as its President will be responsible for implementing the Chief Executive Officer's operational strategies and managing the day-to-day operations of the Issuer.

Brian Harris, Director and Vice President of Corporate Development

Mr. Harris (72 years old) is the Managing Partner at Marketing Services International, a consulting company that provides professional services to early stage private and public companies with a focus on science based new functional food and natural health products. Mr. Harris is a Director and interim Chief Executive Officer of MedAgri Marihuana Labs Inc., a private company that has made an application for Medical Marijuana producer's licence with Health Canada. Brian Harris served as a Director and Chief Executive Officer of Russell Breweries Inc. ("Russell"), a TSX-V listed company. During his ten-year tenure, Russell was one of the fastest growing companies in Canada. Prior to that he was a Director and SVP for EFTech Ltd., a public company listed on the ASX and a leading supplier of Electronic Funds Transfer services at the Point of Sale in Australia. Mr. Harris was also a founder of BASS (Best Available Seating Service) International, the computer ticketing system, which operated in 12 markets and 4 continents now known as TicketMaster. In the mid 1980s, Mr. Harris was the founder and President of Smoke Free Pty Ltd in South Africa. SmokeFree helped people stop smoking without gaining weight using a proprietary nutritional supplement three times a day and participating in a support group. During that period, SmokeFree became the leading company in the smoking cessation market in that country.

Mr. Harris will devote approximately 90% of his time to the affairs of the Issuer. He will act as an independent contractor and as the Issuer's Vice President of Corporate Development, and will

be responsible for recommending strategic planning, financing, marketing and operational strategies, including acquisition opportunities, to the board and management.

Greg S. Reid, Director

Filmmaker and Keynote Speaker, Greg S. Reid (53 years old) is a #1 best-selling author, entrepreneur, and the Chief Executive Officer of several successful corporations, who has dedicated his life to helping others achieve the ultimate fulfillment of finding and living a life of purpose. In addition to being published in over 35 books and featured on nationally syndicated programs across the United States, he is also the creator and producer of the internationally acclaimed films Pass It On, and Three Feet From Gold.

Mr. Reid will devote approximately 5% of his time to the affairs of the Issuer and as a director, he will be responsible for overseeing management of the Issuer. Mr. Reid will act as an independent contractor.

Makarand Jawadekar, Chief Science Officer

Since 2010, Dr. Jawadekar (65 years old) has been the owner of Melinda Consulting LLC, a pharmaceutical consulting company. Prior to Melinda Consulting, Mr. Jawadekar worked at Pfizer Inc. in Groton-New London, Connecticut, for 28 consecutive years served as a Director of Portfolio Management. While at Pfizer, he was responsible for drug delivery technology assessments involving external drug delivery' technologies. Dr. Jawadekar has extensive experience in creating and cultivating external partnerships and alliances for drug delivery technologies. He began his professional career at Pfizer Central Research in early 1982, after having completed his Ph.D. in Pharmaceutics at the University of Minnesota.

Mr. Jawadekar will devote 100% of his time to the affairs of the Issuer and will work as an independent contractor responsible for leading the Issuer's pre-clinical evaluation of Caribbean blue scorpion venom.

Harendra Parekh, Chief Research Officer

Dr. Parekh (41 years old) completed his B.Sc. in pharmacy (United Kingdom) and registered as a Pharmacist in 1998. He went on to undertake his Ph.D. in Medicinal Chemistry at the University of Nottingham in the same year. Under the supervision of Dr. B. Kellam and Dr. S. R. Chhabra he investigated the development of novel linkers for solid phase peptide and glycopeptide synthesis. Dr. Parekh was awarded his Ph.D. in 2002, and after a short time working in community pharmacy in the United Kingdom relocated to Australia and took up a position as research officer in the School of Chemistry at the University of Queensland. He continues to be a member of the Royal Pharmaceutical Society of Great Britain and is also registered with the Australian Health Practitioner Regulation Agency (pharmacist) in Queensland, currently based at the University of Queensland's Pharmacy Australia Centre of Excellence.

During his post-doctoral tenure, he explored the area of non-viral gene delivery via chemical synthesis of novel dendrimeric systems. Emphasis was on the treatment of age-related macular

degeneration and in 2004 he received Uniquest's Trailblazer Prize for commercialisation potential. In May 2005 Dr. Parekh was appointed Lecturer within the School of Pharmacy, and promoted to Senior Lecturer in 2011. He also holds adjunct positions at Manipal University (India), and the National University of Singapore's Nanoscience and Nanotechnology Institute.

Dr. Parekh's research interests are in the area of synthetic pharmaceutical chemistry, pharmaceutics as applied to nano-carriers, and advanced non-viral drug/gene delivery system design, synthesis and evaluation. He will devote 20% of his time to the affairs of the Issuer, and will work as an independent contractor responsible for overseeing and providing guidance on the Issuer's research and development initiatives.

Shabira Rajan, Chief Financial Officer and Controller

Ms. Rajan (60 years old) is the owner of SHROF Financial Management and Accounting, providing financial management services to clients. Prior to that Ms. Rajan was the Director of Finance for Canada Line Rapid Transit Inc., a $2 billion P3 infrastructure project where she was responsible for all financial aspects of the project including strategies for cash management, regulatory and contractual compliance and reporting, budgeting, forecasting, analysis, procurement, implementation of policies and procedures, and IT.

Ms. Rajan is a Chartered Professional Accountant, holds an MBA from Laurentian University and an Advanced Specialty Certificate in Forensic Science Technology, Forensic and Investigative Accounting Option from the British Columbia Institute of Technology. She was a Project Management Professional and an associate member of the Institute of Chartered Secretaries and Administrators. She recently completed the Executive Leadership - Developing Sustainable Non-profit Organizations in the 21st Century, program with the City University of Seattle. Ms. Rajan has served as a board member with WAVAW, was the Chair, Education and Recruiting with the Richmond/South Delta Chapter of CGA BC, and is currently a board member and treasurer of Hastings Sunrise Community Policing Centre.

Ms. Rajan will devote 100% of her time to the affairs of the Issuer. She will be an employee and as the Issuer's Chief Financial Officer and Controller, will be responsible for managing the day-to-day accounting and all financial reporting obligations for the Issuer.

Nicole Goncalves-Krysinski, Chief Legal Officer

Nicole Goncalves-Krysinski (37 years old), Esq., is an attorney and a partner in her own law firm in New York City, New York. She has a J.D. from St. John's University and a B.A. from U.C.L.A. Ms. Goncalves-Krysinski practices in both state and federal courts handling a wide range of cases including complex bankruptcy matters, matrimonial and criminal defense litigation. Her areas of practice also include contract negotiations, business and transactional law and corporate advisement.

Ms. Goncalves-Krysinski will be an independent contractor to the Issuer and provide consulting services related to ongoing legal compliance of the Issuer and its products. She will devote approximately 20% of her time to the affairs of the Issuer.

Alicia Rebman, Vice President, Marketing & Advertising

Ms. Rebman (39) is a Marketing professional with a background in Publishing Technologies, Communications and Graphic Design; specialty in branding and communications for social enterprise and NGO start-ups. Ms. Rebman ran a successful design services company for 6 years and then elevated to head the marketing department for the Global office of Hartley & Marks Group, an international design and publishing company.

Ms. Rebman will devote 100% of her time to the affairs of the Issuer and work as an employee. As the Vice President of Marketing and Advertising, she will be responsible for developing and implementing the Issuer's marketing initiatives and managing the Issuer's e-commerce business.

Matthew Coltura, Director

Mr. Coltura (24 years old) has completed a two-year diploma program at Okanagan College, Kelowna and holds a Business Administration Diploma with an accounting option from that institution. Additionally, Mr. Coltura received a Bachelor of Business Administration (specializing in finance) offered by Okanagan College in May, 2017.

Mr. Coltura will devote 10% of his time to the affairs of the Issuer and work as an independent contractor.

It is anticipated that all of the directors and officers of the Issuer will enter into confidentiality and non- disclosure agreements with the Issuer.

14. CAPITALIZATION

14.1 Issued Capital

The following share distribution tables do not include the shares issued under the Carrara Financing or in relation to the RTO.

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	48,996,275[(1)]	58,117,142[(1)(2)]	100%	100%
Held by Related Persons or employees of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in	29,343,100	33,736,433	59.89%	58.05%

the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)				
Total Public Float (A-B)	19,653,1755	24,380,709	40.11%	51.32%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	32,755,600 (3)(4)	39,642,934 (3)(4)	66.85%	68.21%
Total Tradeable Float (A-C)	16,240,675	18,474,208	33.15%	31.79%

Notes:
(1) After giving effect to the Transaction, the Consolidation and assuming the current amount raised under the Carrara Financing.
(2) Assuming the exercise of 4,449,568 stock options,124,556 agents options and 4,271,200 common share purchase warrants after giving effect to the Transaction, the Consolidation and the current amount of the Carrara Financing.
(3) Includes 8,845,324 common shares issuable pursuant the exercise of all issued and outstanding convertible securities of the Issuer upon the completion of the Transaction and assuming the current subscription amount under the Carrara Financing.
(4) Subject to escrow upon completion of the Transaction.

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	--	--
100 - 499 securities	13	4,329
500 - 999 securities	26	14,534
1,000 - 1,999 securities	63	78,005

2,000 – 2,999 securities	26	53,334
3,000 – 3,999 securities	37	122,492
4,000 – 4,999 securities	20	80,333
5,000 or more securities	174	14,405,608
	359	**14,758,635**

Notes:
(1) After giving effect to the Transaction.
(2) Does not include Objecting Beneficial Owners of common shares in the capital of the Issuer or the 4,271,200 common shares in the capital of the Issuer assuming the current amount raised under the Carrara Financing.

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	--	--
100 – 499 securities	13	4,329
500 – 999 securities	26	14,534
1,000 – 1,999 securities	63	78,005
2,000 – 2,999 securities	26	53,334
3,000 – 3,999 securities	37	122,492
4,000 – 4,999 securities	20	80,333
5,000 or more securities	184	14,041,208
Unable to confirm	1	364,400

Notes:
(1) After giving effect to the Transaction.
(2) Does not include Objecting Beneficial Owners of common shares in the capital of the Issuer.

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	--	--
100 - 499 securities	--	--
500 - 999 securities	--	--
1,000 - 1,999 securities	--	--
2,000 - 2,999 securities	--	--
3,000 - 3,999 securities	--	--
4,000 - 4,999 securities	--	--
5,000 or more securities	10	27,383,333
	10	**27,383,333**

14.2 Convertible/Exchangeable Securities

Upon the completion of the Transaction, the following convertible/exchangeable securities will be issued and outstanding:

Description of Security (include conversion/exercise terms, including conversion/exercise price)	**Number of convertible/exchangeable securities outstanding**	**Number of listed securities issuable upon conversion/exercise**
Stock Options: Expiry Date: Five years from grant date Exercise Price: $0.30 per share	266,668	266,668

Stock Options: Expiry Date: Two years from grant date Exercise Price: $0.66 per share	132,900	132,900
Stock Options Expiry Date: 48 months from grant date Exercise Price: $0.25 per share	3,600,000	3,600,000
Stock Options Expiry Date: 48 months from grant date Exercise Price: $0.50 per share	450,000	450,000
Agent's Options: Issued: December 21, 2016 Expiry Date: December 21, 2018 Exercise Price: $0.30 per share	124,566	124,566
Carrara Financing Warrants Expiry Date: 24 months after date of issuance, unless accelerated pursuant to the terms of the Carrara Financing Exercise Price: $1.00	4,271,200 (assuming current amount raise under Carrara Financing) 10,000,000 (assuming maximum amount raised under Carrara Financing)	4,271,200 (assuming current amount raise under Carrara Financing) 10,000,000 (assuming maximum amount raised under Carrara Financing)
Total convertible securities assuming minimum $2 million raise under Carrara Financing	**8,845,334**	**8,845,334**
Total convertible securities assuming maximum raise of Carrara Financing	**14,574,134**	**14,574,134**

14.3 Other Listed Securities

There are no other listed securities reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

The following table discloses the anticipated compensation for the Issuer's officers and directors for the 12-month period after the completion of the Transaction:

Table of Compensation Excluding Compensation Securities						
Name and Position	**Salary, consulting fee ($)**	**Option based awards ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Stephen Van Deventer, CEO and Chairman	$15,000 per month	Nil	Nil	Nil	Nil	$15,000 per month
Kimberley Van Deventer, President and Director	$12,000 per month	Nil	Nil	Nil	Nil	$12,000 per month
Shabira Rajan, CFO, Controller and Corporate Secretary	$10,000 per month	Nil	Nil	Nil	Nil	$10,000 per month
Brian Harris, VP Corporate Development	$10,000 per month	Nil	Nil	Nil	Nil	$10,000 per month
Makarand Jawadekar, Chief Science Officer	$10,000 (USD) per month[(1)]	Nil	Nil	Nil	Nil	$10,000 (USD) per month[(1)]
Harendra Parekh, Chief Research Officer	$5,000 per month	Nil	Nil	Nil	Nil	$5,000 per month

Notes:

(1) The current rate method will be used to translate payments made in currencies other than Canadian dollars by which income and expenses are translated at the exchange rates at the dates of the transactions and assets and liabilities for balance sheet are translated at the closing rate at the date of the balance sheet. All resulting exchange differences are recognized in other comprehensive income.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

No existing or proposed director, officer, employee or former directors, officers or employee of the Issuer or any of its subsidiaries was indebted to the Issuer within thirty days before the date hereof, or is currently indebted to the Issuer.

16.2 Indebtedness Under Securities Purchase and other Programs

Not applicable.

17. RISK FACTORS

17.1 Risk Factors Related to the Issuer and its Business

Following the completion of the Proposed Transaction, the business of the Issuer will be focused on the development and sale of biotechnology and pharmaceuticals to consumers. Companies in this industry are subject to many and varied kinds of risks. The risks and uncertainties described in this section are considered by management to be the most important in the context of the business of the Issuer upon completion of the Transaction, but are not inclusive of all risks and uncertainties they may be subject to, as other risks may apply. It is possible that other risks and uncertainties that affect the Issuer's business will arise or become applicable.

No history of earnings.

Neither the Issuer nor TargetCo has a history of earnings and, due to the nature of the Issuer's business, there can be no assurance that the Issuer will be profitable. The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the securities purchased would be diminished. While the Issuer may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Carrara Financing. At present, it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History.

The Issuer and TargetCo have limited operating histories and as such, the Issuer's business will be subject to risks and uncertainties associated with new business enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investments. Neither the Issuer nor TargetCo has generated significant revenue or profits from their respective

operations, and as a result, the Issuer faces a high risk of business failure. The Issuer and TargetCo have a history of operating losses and the Issuer may never achieve profitability in the future.

The Issuer's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract experienced management and the know-how to develop and commercialize future products and to market current and future products. Successfully developing future and current product into marketable product offerings may take several years and significant financial resources and the Issuer cannot assure that it can achieve these objectives. Furthermore, there can be no assurance that even if the Issuer becomes profitable it will be able to consistently remain profitable.

Negative operating cash flow.

Although the Issuer expects to become profitable, there is no guarantee that this will happen and it may never become profitable. Both the Issuer and TargetCo currently have a negative operating cash flow and may continue to do so for the foreseeable future. The Issuer's ability to generate revenue and the potential to become profitable will depend largely on the Issuer's ability to have its products manufactured and to market the resulting products. There can be no assurance that any such events will occur or that the Issuer will ever become profitable. Even if the Issuer does achieve profitability, it cannot predict the level of such profitability. If the Issuer sustains losses over an extended period of time, it may be unable to continue its business.

Additional capital and liquidity may be required or the Issuer may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows.

Additional funds for the establishment of the Issuer's current and planned operations may be required. No assurances can be given that the Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Current financial conditions, revenue, taxes, capital expenditures and operating expenses are all factors, which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Issuer may be required to undertake additional equity financing, which would be dilutive to holders of common shares in the capital of the Issuer. Debt financing, if available, may also involve restrictions on financing and operating activities, and, in case of convertible debt, may be dilutive to holders of the Issuer's common shares upon conversion of such debt. There is no assurance that additional financing will be available on terms acceptable to the Issuer, or at all. If the Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

The Issuer may require additional financing in order to execute its business plan and may be required to cease operating or modify its business plans if further financing is not available.

The Issuer and TargetCo have yet to generate profits and as such, the Issuer will likely operate at a loss as it looks to market and further commercialize its product offerings. The Issuer may

require additional financing in order to execute its business plan. The ability to secure required financing will depend in part upon investor perception of the Issuer's ability to create a successful business. Capital market conditions and other factors beyond the Issuer's control may also play important roles in the ability to raise capital. The Issuer can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to the Issuer's management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that the Issuer feels the business requires, or unavailable on acceptable terms, the Issuer may be required to cease operating or to modify its business plans in a manner that undermines its ability to achieve its business objectives.

Financial statements are prepared on a going concern basis and the Issuer cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objectives.

The Issuer's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Issuer's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of its industry. The Issuer cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. The Issuer's financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should it be unable to continue as a going concern.

TargetCo holds licences for IP rights where failure to obtain continued access to the rights could have a material adverse effect on the business.

TargetCo holds certain licensing rights to existing patents such as the Mikaelian Polarization technology as it pertains to polarized scorpion venom solution and the method for making and administering it but cannot guarantee continued access to the patent rights, as TargetCo does not hold the rights. Failure to obtain continued access to the rights could limit the Issuer's ability to produce its products, which could have a material adverse effect on the Issuer's business.

TargetCo relies on one source of Caribbean blue scorpion venom, where interrupted supply could have a material adverse effect on the business.

TargetCo, through a nutraceutical product licence and distribution agreement with Medolife is currently accessing a supply of Caribbean blue scorpion venom that CELLB9^{TM} and the proposed energy drink are dependent on. Failure to have continued and uninterrupted access to Caribbean blue scorpion venom through the distribution agreement, or any other failure of Medolife to adequately fulfill their obligations with the Issuer on a timely and satisfactory basis, could have a material adverse effect on the Issuer's business.

Availability and supply of raw materials may increase costs and reduce the financial viability of products available for sale.

Upon the completion of the Transaction, the Issuer will continue to outsource the manufacture of its products, including the CELLB9^{TM} to third parties. Such third-parties in turn source raw materials, including scorpion venom, in order to produce the Issuer's products. The availability of raw materials as well as variations in the price of raw materials may therefore increase the Issuer's operating costs. The subsequent effect on the Issuer's operating profit margins depends on, among other things, the Issuer's ability to increase the prices of its finished products in the context of a competitive market. Fluctuations in raw material prices may therefore increase or decrease the Issuer's operating profit margins. Price increases may also result in downward pressure on sales volume. Furthermore, the Issuer's third-party manufacturer(s) will be competing with other producers and manufacturers to secure raw materials, and such producers or manufacturers may, because of a variety of factors, including but not limited to their relationships with suppliers, size, and competitive position within the industry, be able to secure raw materials before the Issuer's manufacturer(s) could secure such material, or may push the prices of raw materials higher because of such producers' or other manufacturers' demand for raw materials that the Issuer also requires. Potential delays in the Issuer's or any of its third-party manufacturers' ability to secure raw materials could undermine the Issuer's commitments to produce and deliver its products to distributors, which could undermine market share, revenue, and subsequently, profitability.

The Issuer may not be able to complete an energy drink beverage formulation and the resulting sales.

TargetCo is currently in the process of identifying a U.S. based beverage consulting business specializing in beverage formulation, packaging and marketing. The Issuer may be unsuccessful in negotiating an agreement with a particular group to formulate, package and market the planned energy drink beverages, and the Issuer may be unsuccessful in generating revenue from the energy drink beverages if they become available for sale.

The Issuer may become involved in legal matters that may have materially adversely effects.

From time to time in the ordinary course of the Issuer's business, the Issuer may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Issuer to incur significant expenses. Furthermore, because litigation is inherently unpredictable and can be highly expensive, the results of any such actions may have a material adverse effect on the Issuer's business, operations or financial condition.

The outsourcing of certain operations and changes in third-parties could adversely affect the Issuer's operations, profitability, and reputation in the market.

Following the completion of the Transaction, the Issuer will continue to outsource certain operations, including the manufacture, storage and packaging of its products, to third-parties. Although bound by contractual obligations, the Issuer will have no direct control over the operations of the parties whom it outsources to. Such third parties are subject to various operational, economic and legal risks affecting their operations, and changes in such third-party operations, profitability, and regulatory environments could adversely affect the quality of and/or the ability of such parties to deliver services or goods to the Issuer, which in turn could adversely affect the Issuer's operations, profitability, and reputation in the market.

The Issuer will be affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints both domestically and abroad, and its failure to comply with these constraints could lead to the imposition of significant penalties or claims, which could harm the Issuer's financial condition and operating results.

In both domestic and foreign markets, the formulation, manufacturing, packaging, labeling, distribution, advertising, importation, exportation, licensing, sale and storage of the Issuer's products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and other similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial/state or local levels in Canada, the United States and at all levels of government in foreign jurisdictions. There can be no assurance that the Issuer or any of its distributors are in compliance with all of these regulations. The failure of the Issuer or its distributors to comply with these regulations or new regulations could disrupt the sales of the Issuer's products, or lead to the imposition of significant penalties or claims and could negatively impact the Issuer's business. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or discontinuation of product sales and may negatively impact the marketing of the Issuer's products, resulting in significant loss of sales revenues.

Unanticipated business disruptions from outsourcing agents could negatively affect the Issuer's financial condition and performance.

Major events, such as equipment failure, health pandemics and natural disasters could lead to unanticipated business disruption of any or all of the Issuer's manufacturers and suppliers. The failure to find alternative manufacturers, suppliers or, to replace lost production capacity in a timely manner could negatively affect the Issuer's financial condition and performance.

The Issuer is subject to consumers' overall ability and willingness to purchase health and wellness products, where any change in demand could negatively impact the Issuer's financial results.

The Issuer's operations could be affected in certain economic contexts should unemployment levels, interest rates or inflation rates reach levels that influence consumer trends and, consequently, impact the Issuer's sales and profitability. In addition, demand for the Issuer's

products is subject to changes in consumer trends, and such changes may affect future earnings. The impact of any changes will depend on the Issuer's ability to innovate and develop new products. The Issuer's products might not appeal to all consumers and may have more appeal to more affluent and/or health conscious consumers looking for alternatives to existing products competitive to the Issuer's product offering. As a result, changes in consumer trends and taste preferences on their own and in conjunction with changing product offerings by other suppliers may affect demand for the products.

The ongoing economic slowdown and downturn of global capital markets may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future.

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by ongoing global economic risks. As such, the Issuer is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to it. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of the Issuer's common shares on the Exchange, should the Exchange approve the requalification of the Issuer's common shares for listing.

Legislative, regulatory, normative, and other political considerations may impact the granting or continued performance of permits and licences affecting the Issuer's financial results.

The Issuer is subject to local, provincial, federal and international laws, regulations, rules and policies as well as to social, economic and political contexts prevailing in places where the Issuer conducts its activities. Consequently, the modification or change of any of these elements may have an unfavourable impact on the Issuer's results and operations and may require expenditures by the Issuer in order to adapt or comply with such modification or change. More specifically, the production and distribution of health products are subject to federal, provincial and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for the Issuer's operations. The impact of new laws and regulations, stricter enforcement or interpretations or changes to enacted laws and regulations will depend on the Issuer's ability to adapt to, comply with and mitigate such changes.

Regulatory changes related to health and wellness products could affect the Issuer's financial results.

The production and distribution of health-related products and the impact of these activities on the environment and animals or animal products that may be used in such products, whether in Canada, the U.S. or elsewhere, are subject to legislation and regulations. If a law or regulation were amended, the resulting impact would depend on the Issuer's ability to adapt, comply and assume the related costs. Changes to the legal and regulatory environment could have an impact on the Issuer's operating costs and financial results. Such regulatory amendments might include changes to food and drug laws, labelling laws, accounting standards, tax laws, competition laws

and environmental laws, including laws with respect to water rights and water treatment regulations and laws affecting the treatment of animals. Such changes can have an impact on the Issuer's financial results or increase its costs and liabilities. Such changes would also affect all health products and would not disproportionately harm the Issuer relative to the health product industry. Despite this, given the Issuer's current product offering, laws regulating the use and extraction of scorpion venom will directly affect, and may disproportionately affect, the Issuer's business and operations, and any adverse law or the inability of the Issuer to adapt thereto may have a material adverse effect on the Issuer's business and operations.

If the Issuer is unable to recruit and subsequently retain distributors, its revenue will not increase and may even decline.

The Issuer intends to distribute and sell most of its products through independent distributors, and will depend on them to generate a significant portion of its revenue. The Issuer's distributors may terminate their services at any time, and, like most direct selling companies, the Issuer may experience high turnover among distributors from year to year. As a result, in order to maintain sales and increase sales in the future, the Issuer needs to recruit and retain those distributors and/or increase the productivity of its recruited and retained distributors. The growth of the Issuer depends upon its ability to increase the number of active distributors and maintain its current distributors. However, the number of the Issuer's active distributors may not increase and could decline in the future. While the Issuer has taken many steps to help train, motivate and retain distributors, it cannot accurately predict how the number and productivity of distributors may fluctuate because the Issuer relies primarily upon its distributors to recruit, train and motivate the distributors' own staff. The Issuer's operational results could be harmed if the Issuer fails to generate sufficient interest in its business to be able to distribute and sell its products.

The number and productivity of the Issuer's distributors also depends on several additional factors, including:

- any adverse publicity regarding the Issuer, its products, its distribution channels or its competitors;
- a lack of interest in, or the failure of, existing or new products;
- the public's perception of the Issuer's products and their ingredients;
- the public's perception of the Issuer's distributors and direct selling businesses in general; and
- general economic and business conditions.

In addition, the Issuer may face saturation or maturity levels in a given country or market. The maturity level of the markets could also affect the Issuer's ability to attract and retain distributors in those markets.

Although the Issuer's distributors will be independent contractors, improper distributor actions that violate laws or regulations could harm its business.

Distributor activities that violate governmental laws or regulations could result in governmental actions against the Issuer in markets where it operates. The Issuer's distributors will not be

employees and will act independently. The Issuer will implement policies and procedures to attempt to ensure its distributors comply with legal requirements.

Failure of new products to gain distributor and market acceptance could harm the Issuer's business.

A critical component of the Issuer's business is its ability to develop new products that create enthusiasm among its distributor force. If the Issuer fails to introduce new products planned for introduction, its distributor productivity could be harmed. In addition, if any new products fail to gain market acceptance, are restricted by regulatory requirements, or have quality problems, this would harm the Issuer's operational results. Factors that could affect the Issuer's ability to continue to introduce new products include, among others, government regulations, the loss of key research and development staff or consultants, the termination of third-party research and collaborative arrangements, proprietary protections of competitors that may limit the Issuer's ability to offer comparable products and any failure to anticipate changes in consumer tastes and buying preferences.

The loss of key high-level distributors could negatively impact the Issuer's distributor growth and its revenue.

The loss of a high-level distributor or a group of leading distributors in the distributor's network of downline distributors, whether by their own choice or through disciplinary actions by the Issuer for violations of its policies and procedures could negatively impact the Issuer's distributor growth and its revenues.

The Issuer may become subject to uninsured or uninsurable risks that could have a material adverse effect on its financial position.

The Issuer may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities, and settlement of uninsured liabilities could have a material adverse effect on the Issuer's financial position.

The Issuer does not have any business liability, disruption or litigation insurance, and any business disruption or litigation experienced might result in it incurring substantial costs and the diversion of resources.

While business disruption insurance is available, the Issuer has determined that the risks of disruption, the cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for the Issuer to have such insurance. As a result, the Issuer will not have any business liability, disruption or litigation insurance coverage for its development operations. Any business disruption or litigation may result in the Issuer incurring substantial costs and the diversion of resources.

Product liability may exceed the Issuer's insurance, if any, at the relevant time and may cause the Issuer to cease operations, divert funds, or seek additional financing.

The Issuer's operations are subject to certain dangers and risks of liability faced by all health product producers and distributors, such as the potential contamination of ingredients or products by bacteria or other external agents that may be introduced into products or packaging. The occurrence of such a problem could result in a costly product recall and serious damage to the Issuer's reputation for product quality, and could result in claims against the Issuer, all of which may or may not be sufficiently covered by the Issuer's insurance, if any, at the relevant time.

The Issuer currently indemnifies its directors in accordance with, and to the greatest extent possible under the BCBCA, including through director indemnification agreements. The Issuer's articles contain provisions with respect to the indemnification of its directors to the greatest extent possible under the BCBCA. Additionally, it is expected to execute director indemnification agreements to limit the personal liability of directors within the limits defined by the British Columbia Securities Commission and the laws of Canada and the Province of British Columbia.

Pre-clinical evaluations and clinical trials are very expensive, time-consuming and difficult to design and implement, and the Issuer has not yet commenced any pre-clinical evaluations or clinical trials.

Currently, the Issuer has not commenced any pre-clinical evaluations or clinical trials, and depending on future developments it may not commence any such evaluations or trials. Any pre-clinical evaluations or clinical trials that the Issuer contemplates to undertake will be highly risky, and could require the use of substantial resources. Pre-clinical evaluations and clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The pre-clinical evaluation and clinical trial process are also time-consuming. Furthermore, failure can occur at any stage of any evaluation or trial, and problems could be encountered that can cause the evaluations or trials to be abandoned or repeated. The commencement and completion of any evaluation or trial may be delayed by several factors, including:

- failure to obtain regulatory approval to commence a trial;
- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during pre-clinical evaluations or clinical trials;
- inability to reach agreement on acceptable terms with prospective clinical research organizations and clinical trial sites;
- slower than expected rates of subject recruitment;
- failure to manufacture sufficient quantities of a product candidate for use in pre-clinical evaluations or clinical trials;
- inability to monitor subjects adequately; and
- inability or unwillingness of medical investigators to follow clinical protocols.

Furthermore, the Issuer, Health Canada, or the US-FDA may suspend any of the Issuer's future clinical trials at any time if it appears that the Issuer or its collaborators are failing to conduct a trial in accordance with regulatory requirements, that the Issuer is exposing participants to unacceptable health risks, or if Health Canada or the US-FDA find deficiencies in the Issuer's submissions or the conduct of the clinical trials. Therefore, the Issuer cannot predict with any certainty the schedule for commencement and completion of future clinical trials.

If the Issuer experiences delays in the commencement or completion of any future pre-clinical evaluation or clinical trials, or if it terminates the said pre-clinical evaluations or clinical trials prior to completion, the commercial prospects of the Issuer's product candidates could be harmed, and its ability to generate revenues from them may be delayed. In addition, any delays in future pre-clinical evaluation or clinical trials could increase the Issuer's costs, slow down any approval process and jeopardize the Issuer's ability to commence product sales and generate revenue. Any of these occurrences may harm the Issuer's business, financial condition and results of operations.

Investment in current research and development efforts may not provide a sufficient, timely return.

The development of new products and strategies is a costly, complex and time-consuming process, and the investment in technology product development and marketing often involves a prolonged time until a return is achieved on such an investment. TargetCo has made, and the Issuer will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from the Issuer's strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect the Issuer's operating results if they are not sufficiently offset by revenue increases. The Issuer will continue to dedicate a significant amount of resources to its development efforts in order to maintain a competitive position in the market. However, significant revenue from such new product and service investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as lucrative as the margins the Issuer has previously experienced for its legacy products and services.

Health Canada, the US-FDA, or European Union regulators may not approve any of the Issuer's registrations.

The Issuer intends to move forward with an Internet sales strategy for CELLB9™, in furtherance of which the Issuer has commenced a Health Canada application for an NPN, and is also undertaking Nutraceutical/Holistic Medicine registrations for the U.S. and European Union. However, there is a risk that the Issuer will not be successful in obtaining all or any of the foregoing registrations. The Issuer may also abandon any registration application for reasons including high registration costs or a change in the Issuer's marketing or strategic business direction. As a result, in instances where regulatory approval or approval of a label or

designation is helpful but not mandatory for any product, the lack of such approval might diminish the marketability of the Issuer's current and future product offerings.

There can be no assurance that the Issuer will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

The markets for nutrient and health related products are characterized by evolving regulatory and industry standards, changes in consumer tastes, needs, habits, and frequent new product introductions and enhancements within the industry. The introduction of products embodying new technologies or substances and the emergence of new industry standards and service offerings could render the Issuer's existing products and products currently under development obsolete or undermine the Issuer's ability to successfully compete with such other products. The Issuer's success will largely depend upon its ability to evolve its products and services to sufficiently keep pace with technological and regulatory developments and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer or regulatory requirements, or any significant delays in product development or introduction, could damage the Issuer 's competitive position in the market place and affect current and/or future commercialization plans. There can be no assurance that the Issuer will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits.

The planned business to be carried out by the Issuer will be highly competitive and involve a high degree of risk. The Issuer is not the only supplier of nutrient and health related products in North America or other markets in which the Issuer intends to enter in the future. In its efforts to achieve its objectives, the Issuer will compete with other companies that may have greater resources, many of which will not only develop technology, but will also manufacture and sell similar products on a worldwide basis. The markets for its products are intensely competitive, and are subject to rapid consumer and technological changes and other pressures created by changes within the Issuer's industry. The Issuer expects competition to increase and intensify in the future as additional companies enter the Issuer's market, including competitors who may offer similar products. As a result, the Issuer may not be able to compete effectively with current competitors and potential entrants into its marketplace.

The Issuer could experience diminished market share if its current or prospective competitors introduce new competitive products, add or enhance existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in the Issuer's marketplace resulted in increased bargaining power for the consumers of its products, the Issuer might need to lower the prices it charges for the products it plans to offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect the Issuer's business and operating results. Additionally, many current and potential competitors have:

- greater financial, technical and human resources;
- more extensive experience in pre-clinical testing, conducting clinical trials, obtaining regulatory approvals, and in manufacturing, marketing and selling products;
- products that have been approved or are in late stages of development; and
- collaborative arrangements in the Issuer's target markets with leading companies.

The Issuer's competitors may develop or commercialize products with significant advantages over any products the Issuer can develop based on any of the factors listed above or on other factors. The Issuer's competitors may therefore be more successful in commercializing their products than it is, which could adversely affect the Issuer's competitive position and business. Competitive products may make any products the Issuer develops obsolete or uncompetitive before it can recover the expenses of developing and commercializing its product candidates. Such competitors could also recruit the Issuer's employees, which could negatively impact the Issuer's level of expertise and the ability to execute its business plan.

Management may have conflicts of interest in allocating management time, services and functions, and it is possible that these conflicts of interest could have a material adverse effect on the Issuer.

The Issuer's executive officers and directors will devote only that portion of their time, which, in their judgment and experience, is reasonably required for the management, and operation of the Issuer's business. Furthermore, management may have conflicts of interest in allocating management time, services and functions among the Issuer's and any present or future ventures, which are or may be organized by its officers or directors and/or their affiliates. Management are not required to direct the Issuer as their sole and exclusive function, and they may have other business interests and engage in other activities in addition to those relating to the Issuer. This includes rendering advice or services of any kind to other investors and creating or managing other businesses.

The Issuer relies on its employees and members of management, and any loss of such personnel could result in a material adverse effect.

The Issuer will depend on key personnel and changes to, or the departure of, key employees, consultants, or members of management could adversely affect the Issuer's operations. The Issuer will depend on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Issuer's business. There can be no assurance that the Issuer will be able to attract or retain the quality of personnel required in the future. The success of the Issuer is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment and consulting agreements are customarily used as a primary method of retaining the services of key employees, consultants, and other personnel, these agreements cannot assure the continued services of such employees, consultants or personnel. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results or financial condition.

The price of health-related products in Canada, the United States. and International Markets, and any currency risk exposure, could impact the Issuer's financial results.

The price of health-related products in Canada and the United States, as well as in international markets, are based on market supply and demand forces and consumer perception. The prices are tied to numerous factors, such as the health of the economy and supply and demand levels and consumer tastes in the health industry. Price fluctuations may affect the Issuer's operating profit margin. The effect of such fluctuations on the Issuer's financial results will depend on its ability to implement mechanisms to reduce them.

The Issuer may also have financial risk exposure to varying degrees relating to the currency of each of the countries where it sells its products. The level of the financial risk exposure related to any currency and exchange rate fluctuations will depend on the Issuer's ability to hedge such risk or through the use of another protection mechanism.

The management of the Issuer will play a crucial role in developing protective mechanisms for both the pricing and currency exposure risks, demonstrating the importance of retaining key management personnel.

The Internet and related computer infrastructure are important components of the Issuer's business plan, and any disruption related thereto could cause a material adverse effect.

The Issuer will rely on the Internet and computer technology to market and sell its products and services through its website (www.PreveCeutical.com), in addition to any sale efforts that do not use the Internet. Similarly, the Issuer's suppliers and distributors may also rely on the Internet and computer technology for their business operations. The Issuer's reliance on Internet and computer technology implies that there can be no assurances that a system failure would not adversely affect the Issuer's performance. TargetCo presently has limited redundancy systems, relies on third party back up facilities and only has a limited disaster recovery plan. Despite the implementation of network security measures, the Issuer's servers may be vulnerable to computer viruses, physical or electronic break-ins and similar disruptive problems which could lead to interruptions, delays or stoppages in service to users of the Issuer's website which could have a material adverse effect on the Issuer's business, operations and financial condition.

The Issuer will rely on certain web-based security and privacy measures, and failure or inadequacy of any measures may result in loss of revenue and / or increases in costs for the Issuer.

If the security measures the Issuer plans to use to protect the personal information of its website users, such as credit card numbers, are ineffective it could result in a reduction in revenues from decreased customer confidence, an increase in operating expenses, as well as possible liability and compliance costs. Any breach in the Issuer's website security, whether intentional or unintentional, could cause users of its website to lose their confidence in the website, and as a result, stop using the website. This would result in reduced revenue and increased operating expenses, which would impair the Issuer's ability to achieve profitability. Additionally, breaches

of the Issuer's users' personal information could expose the Issuer to possible liability, as any involved user, or users, may choose to sue the Issuer. Breaches resulting in disclosure of users' personal information may also result in regulatory fines for non-compliance with online privacy rules and regulations. The Issuer plans to rely on encryption and authentication technology licensed from third-parties whose area of expertise is to provide secure transmission of confidential information. The Issuer third-party payment processing for purchases through its website and the Issuer will have no control over such third-party business and operations.

As a result of advances in computer capabilities, new discoveries in the field of cryptography and other developments, there is at least a chance that a compromise or breach of the Issuer's security precautions may occur. Any compromise in the proposed security for the Issuer's computer systems could severely harm its business because a party who is able to circumvent the proposed security measures could misappropriate proprietary information, including customer credit card information, or cause interruptions in the operation of the website. The Issuer may be required to spend significant funds and other resources to protect against the threat of cyber security breaches or to alleviate problems caused by such breaches. However, protection may not be available at a reasonable price, or at all. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial transactions in general. The Issuer's website users may have these concerns as well and this may result in a reduction in revenue and an increase in the Issuer's operating expenses, which could prevent the Issuer from achieving profitability.

Website functionality failure could cause the Issuer to experience reduced revenue and/or increased costs.

If the software on the Issuer's website contains undetected errors, the Issuer could lose the confidence of users, resulting in loss of customers and a reduction of revenue. The Issuer's online systems, including, but not limited to its websites, software applications and online sales for products, could contain undetected errors or "bugs" that could adversely affect their performance. The Issuer plans to regularly update and enhance all sales, websites and other online systems. The occurrence of errors in any of these may cause the Issuer to lose market share and damage its reputation and brand name.

Evolving regulation of the Internet may affect the Issuer adversely.

As e-commerce continues to evolve, increasing regulation by federal, provincial, state or foreign agencies becomes more likely. For example, increased regulation is likely to occur in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information could affect the Issuer's ability to use and share data for marketing and sales purposes, as well as restricting the ability to store, process and share data with the Issuer's customers and suppliers. In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed in addition to any current taxes or charges for the sale of the Issuer's products. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm the Issuer's business.

Costs of maintaining a public listing are significant and may divert financial and operational resources that could otherwise create value for the Issuer and investors.

If the Issuer's common shares are successfully requalified for listing on the Exchange, greater legal, accounting and other expenses related to regulatory compliance will be incurred than the Issuer would as a not-listed private entity. The Issuer may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

If the Issuer's stock price fluctuates, investors could incur substantial losses.

The stock market in general has recently experienced extreme price and volume fluctuations. The market prices of securities of pharmaceutical and biotechnology companies have been extremely volatile, and have experienced fluctuations that often have been unrelated or disproportionate to the operating performance of these companies. These broad market fluctuations could result in extreme fluctuations in the price of the Issuer's common shares, which could cause the Issuer's investors to incur substantial losses. The market price of the Issuer's common shares at any given point in time may not accurately reflect the Issuer's long-term value.

The market price of the Issuer's commons shares may be affected by many other variables, which are not directly related to the Issuer's performance and are, therefore, not within its control. These include other developments that affect the breadth of the public market for the Issuer's common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Issuer could make the share price volatile in the future, which may result in losses to investors.

Investors should consider the share price volatility and speculative nature of share ownership and any share purchase should be considered a speculative investment.

The successful completion of the Transaction may result in many legacy shareholders being able to freely trade the common shares in the Issuer held by them after any respective hold period such shares may have. Factors both internal and external to the Issuer may significantly influence the price at which the Issuer's common shares trade. Quarterly operating results and material developments reported by the Issuer can, and likely will, influence the price of the Issuer's common shares. Sentiment toward stocks in the industry, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Issuer's common shares. The Issuer will be a young company that has not generated revenue and has not yet generated any profit, and does not possess significant cash reserves. As such, it should be considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Issuer's common shares on the Exchange.

The Issuer does not intend to pay dividends for the foreseeable future and investors may lose all of their investment.

Neither the Issuer nor TargetCo have paid any cash dividends, and the Issuer does not currently intend to pay any dividends. To the extent that the Issuer requires additional funding currently not provided for in its financing plan, the Issuer's funding sources may prohibit the payment of dividends. Since the Issuer does not intend to declare dividends, any gain on an investment in the Issuer will need to come through an increase in the price of the Issuer's common shares. This may never happen and investors may lose all of their investment in the Issuer.

The future sale of equity securities in the Issuer will dilute investors' voting power and reduce future earnings per share through dilution.

Future sales or issuances of equity securities could decrease the value of the Issuer's common shares, dilute shareholders' voting power and reduce future potential earnings per share. The Issuer cannot predict the size of future sales and issuances of equity securities, convertible securities to equity securities or the effect, if any, that future sales and issuances of equity securities or convertible securities will have on the market price of the Issuer's common shares. Sales or issuances of a substantial number of equity securities or convertible securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Issuer's common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in their earnings per common share, and further suffer such dilution upon the conversion of convertible securities into equity.

17.2 Risk that Securityholders May Become Liable

There is no risk that securityholders of the Issuer may become liable to make additional contributions beyond the price of the security.

17.3 Other Risk Factors

Other than the risk factors set out above, the Issuer is not aware of any other material risk factors that a reasonable investor would consider relevant to an investment in the Issuer's common shares.

18. PROMOTERS

18.1 Promoters

Prior to the Transaction, Robert Coltura and A. Salman Jamal were regarded as promoters of the Issuer and Stephen Van Deventer and Kimberley Van Deventer were regarded as promoters of TargetCo. Following the completion of the Transaction, the Issuer expects to conduct investor relations internally. No written or oral agreement or understanding has been reached or is contemplated with any person to provide any promotional or investor relations services to the Issuer.

Following the completion of the Transaction, each of Stephen Van Deventer and Kimberly Van Deventer may be considered to be promoters of the Issuer in that each took the initiative in substantially reorganizing its business. Upon the completion of the Transaction, the promoters' shareholdings in the Issuer will be as follows:

Name of Shareholder	Number of Common Shares Beneficially Owned or Controlled	Percentage of Outstanding Issuer Shares (assuming subscription proceeds received to date under the Carrara Financing) [(1)]	Outstanding Issuer Shares (assuming maximum $5 million raise under Carrara Financing)[(1)]
Stephen Van Deventer	17,332,100[(3)]	35.37% (31.02)[(4)]	31.67% (25.89)[(5)]
Kimberly Van Deventer	7,000,000	14.29% (12.53)[(4)]	12.79% (10.46)[(5)]
Cornerstone Global Partners Inc.[(2)]	9,172,100	18.72% (15.86)[(4)]	16.76% (13.24)[(5)]

Notes:
(1) Rounded to two decimal places with 48,996,275 and 54,725,075 common shares issued and outstanding assuming the current and maximum amounts raised, respectively, under the Carrara Financing.
(2) Kimberly Van Deventer is a director, Stephen Van Deventer a director and chief executive officer, and both holders of more than 10% of voting securities of Cornerstone Global Partners Inc.
(3) Including 8,160,000 common shares registered in Mr. Van Deventer's name and 9,172,100 common shares registered in the name of Cornerstone Global Partners Inc., of which is controlled by Mr. Van Deventer.
(4) Rounded to two decimal places on a fully diluted basis, assuming 8,845,334 (current amount of Carrara Financing) convertible securities of the Issuer outstanding.
(5) Rounded to two decimal places on a fully diluted basis, assuming 14,574,134 (maximum amount of Carrara Financing) convertible securities of the Issuer outstanding.

18.2 Orders, Bankruptcies and Sanctions

(1) No promoter referred to in Section 18.1 is, as at the date of this Listing Statement, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any person or company that:

(a) was subject to an order that was issued while the promoter was acting in the capacity as a director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

(2) For the purposes of section 18.2(1), "order" means:

(a) A cease trade order;

(b) An order similar to a cease trade order; or

(c) An order that denied the relevant person or company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(3) Except as disclosed herein, no promoter referred to in Section 18.1:

(a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

Kimberly Van Deventer previously had undergone personal bankruptcy and was subsequently discharged. At the time of her bankruptcy, Ms. Van Deventer was undergoing a marital divorce from her partner, where both were co-founders and equity partners in a company directly owning a Vancouver-based restaurant that became financially distressed as a result of the economic downturn and recession during that time, ceasing operations May 30, 2012. Ms. Van Deventer was discharged from her personal bankruptcy on April 27, 2013.

(4) No promoter referred to in Section 18.1 has been subject to:

(a) Any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(b) Any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

The Issuer is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

19.2 Regulatory Actions

The Issuer is not a party to any regulatory actions and is not aware of any such actions known to be contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, upon the completion of the Transaction, no director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over more than 10% of any class of the Issuer's outstanding voting securities or an associate or affiliate of any person or companies referred to in this paragraph, has any material interest, direct or indirect in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

1. Licence agreement dated October 5, 2015 (amended on February 6, 2016) between TargetCo and Cornerstone Global Partners Inc. (a company controlled by Stephen Van Deventer and Kimberly Van Deventer) pertaining to the right and licence to use Cornerstone Global Partners Inc.'s property including, but not limited to, trademarks, intellectual property, URLs and the use of the property on packing, promotional and advertising material associated with the business. TargetCo exercised its option to purchase such property from Cornerstone Global Partners Inc. on January 25, 2016. The agreement is currently in effect with respect to the payment of the remaining licence fee outstanding prior to the exercise of the option.

2. Demand loan agreement dated February 1, 2016 between TargetCo and Cornerstone Global Partners Inc., as amended effective February 1, 2017.

3. $2,000,000 convertible credit facility between TargetCo, Stephen Van Deventer and Kimberly Van Deventer dated December 9, 2016, as amended March 31, 2017. Under the terms of the agreement and waiver in respect of same dated June 30, 2017, the amount of any outstanding principal and accrued interest thereon under the credit facility is convertible, after October 28, 2017, into shares in the capital of TargetCo ("TargetCo Shares") at the price of $0.50 per share. Stephen Van Deventer and Kimberly Van Deventer would each be entitled to 50% of any such units, if and when issued.

4. $1,000,000 convertible credit facility between TargetCo, Stephen Van Deventer and Kimberly Van Deventer dated May 9, 2017. Under the terms of the agreement and

waiver in respect of same dated June 30, 2017, the amount of any outstanding principal and accrued interest thereon under the credit facility is convertible, after October 28, 2017, into units at the deemed conversion price of $0.50 per unit, each unit consisting of one TargetCo Share in the capital of TargetCo and one common share purchase warrant entitling the holder to purchase one TargetCo Share at the price of $1.00 per share for a period of 24 months after the issuance of the units, subject to acceleration. As of June 30, 2017, up to 551,589 units are issuable upon the outstanding principal amount of $550,000 and the accrued interest thereon. Stephen Van Deventer and Kimberly Van Deventer would each be entitled to 50% of any such units, if and when issued.

5. $30,000 non-interest bearing loan between TargetCo and Stephen Van Deventer for the purpose of covering legal fees related to the Transaction which TargetCo will fully repay without any set-offs or deductions upon the completion of the Transaction.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

Following the completion of the Transaction, the Issuer's auditors will be Buckley Dodds Parker LLP, Chartered Professional Accountants, located at Suite 1140, 1185 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4E6.

21.2 Transfer Agent and Registrar

The Issuer's transfer agent and registrar is TSX Trust Company, of Suite 2700, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

22. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts of the Issuer within the two years before the date of this Listing Statement that are currently in effect:

1. Property option agreement made between the Issuer, Craig A. Lynes and Rich River Exploration Ltd., dated December 15, 2014, referred to under "General Development of the Business". This agreement will be terminated prior to the completion of the Transaction.

2. Stock option plan approved by the Board of Directors on September 7, 2016. See "Options to Purchase Securities" for further details.

3. Stock option agreements approved by the directors on September 7, 2016 between the Issuer and the directors and officers of the Issuer.

4. Escrow agreement among the Issuer, TSX Trust Company and certain Principals of the Issuer made as of September 30, 2016 referred to under "Escrowed Securities".

5. Stock option agreements approved by the directors on May 18, 2017 between the Issuer and the directors and officers of the Issuer.

6. Amalgamation agreement dated March 21, 2017 among the Issuer, Subco and TargetCo. Please refer to the Issuer's SEDAR profile at www.sedar.com for the full text of the amalgamation agreement.

Upon the completion of the Transaction, the following contracts of TargetCo will also be material contracts of the Issuer and which will remain in effect:

1. Licence agreement dated October 5, 2015 (amended on February 6, 2016) between TargetCo and Cornerstone Global Partners Inc. pertaining to the right and licence to use Cornerstone Global Partners Inc.'s property including, but not limited to, trademarks, intellectual property, URL's and the use of the property on packing, promotional and advertising material associated with the business. TargetCo exercised its option to purchase such property from Cornerstone Global Partners Inc. on January 25, 2016. The agreement is currently in effect with respect to the payment of the remaining licence fee outstanding prior to the exercise of the option;

2. Nutraceutical product licence and distribution agreement dated February 8, 2016, between TargetCo and Medolife International, Inc., pertaining to the grant of an exclusive global licence for TargetCo to sell, distribute and market Medolife's patented scorpion venom product under the name CELLB9™, or such other name selected by TargetCo;

3. Stock Option Agreements dated August 11 to September 1, 2016, as amended effective March 27, 2017, between TargetCo and certain directors, employees, and officers of TargetCo;

4. Demand loan agreement dated February 1, 2016 between TargetCo and Cornerstone Global Partners Inc., as amended effective February 1, 2017;

5. $2,000,000 convertible loan facility between TargetCo, Stephen Van Deventer and Kimberly Van Deventer dated December 9, 2016 as amended effective March 31, 2017;

6. $1,000,000 convertible loan facility between TargetCo, Stephen Van Deventer and Kimberly Van Deventer dated May 9, 2017.

7. Research and option agreement dated effective April 18, 2017 between TargetCo and UniQuest, as described herein; and

8. Research and option agreement dated effective April 22, 2017 between TargetCo and UniQuest, as described herein.

23. INTEREST OF EXPERTS

Except as disclosed below, no person or company named in this Listing Statement as having prepared or certified a part of this Listing Statement, and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an associate or affiliate of the Issuer.

Upon the completion of the Transaction, Jonathan Lotz of Lotz & Company (solicitors to the Issuer) will be the registered and beneficial owner of 186,667 common shares in the capital of the Issuer.

Upon the completion of the Transaction, Arash Farahmand, Esq. of NOX Law Corporation/AFL Law Group (solicitors to TargetCo) will be the registered and beneficial owner of 200,000 common shares in the capital of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. FINANCIAL STATEMENTS

The following financial statements are available on the Issuer's SEDAR profile at www.sedar.com:

1. Audited financial statements for the Issuer for the year ended July 31, 2016 and from incorporation date to July 31, 2015;

2. Unaudited financial statements for the three month period ended October 31, 2016; and

3. Unaudited financial statements for the six month period ended January 31, 2017.

The following financial statements are attached hereto as Schedule "A" and Schedule "B", respectively:

1. Audited financial statements for TargetCo for the financial year ended December 31, 2016 and the period ended December 31, 2015; and

2. Unaudited *pro forma* consolidated financial statements of the Issuer giving effect to the Transaction.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its board of directors, **PREVECEUTICAL MEDICAL INC.**, hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to **PREVECEUTICAL MEDICAL INC.** It contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver this 7th day of July, 2017.

"Stephen Van Deventer"	*"Shabira Rajan"*
STEPHEN VAN DEVENTER	SHABIRA RAJAN
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF PREVECEUTICAL MEDICAL INC.

"Kimberly Van Deventer"	*"Brian Harris"*
KIMBERLY VAN DEVENTER	BRIAN HARRIS
Director	Director

PROMOTERS

" Stephen Van Deventer"	*"Kimberly Van Deventer"*
STEPHEN VAN DEVENTER	KIMBERLY VAN DEVENTER

SCHEDULE "A"

Audited financial statements for TargetCo for the financial year ended December 31, 2016 and the period ended December 31, 2015

See attached.

PREVECEUTICAL MEDICAL INC.

Financial Statements

Year Ended December 31, 2016 and 2015
(Amended and Restated)

PREVECEUTICAL MEDICAL INC.
Index to Financial Statements
Year Ended December 31, 2016 and 2015
(Amended and Restated)

BUCKLEY DODDS PARKER LLP

Chartered Professional Accountants

Suite 1140 - 1185 West Georgia Street
Vancouver, B.C. Canada V6E 4E6
Telephone: (604) 688-7227
Fax: (604) 681-7716

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Preveceutical Medical Inc.

We have audited the accompanying amended and restated financial statements of Preveceutical Medical Inc., which comprise the balance sheet as at December 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 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.

(continues)

Opinion

In our opinion, the amended and restated financial statements present fairly, in all material respects, the financial position of Preveceutical Medical Inc. as at December 31, 2016 and 2015 and its financial performance and its cash flow for the year then ended 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 indicates that at December 31, 2016, the Company has an accumulated deficit of $3,250,223, a working capital deficit of $398,231 and incurred a net loss of $3,127,217. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cause significant doubt upon the Company's ability to continue as a going concern.

Other Matter

Without modifying our opinion, we draw your attention to Note 23 of the restated and amended financial statements, which indicates that the Company amended the issue price of common shares that were issued on October 10, 2015.

Buckley Dodds Parker LLP

BUCKLEY DODDS PARKER LLP
Chartered Professional Accountants

Vancouver, British Columbia
April 13, 2017
May 30, 2017

PREVECEUTICAL MEDICAL INC.
Statement of Financial Position
December 31, 2016 and 2015

	2016	2015
ASSETS		
CURRENT		
Accounts receivable	$ **897**	$ -
Inventory *(Note 6)*	**59,861**	-
Loan receivable	**-**	7,000
Goods and services tax recoverable	**27,603**	619
Prepaid expenses	**396**	24,846
Security / tender deposits	**16,256**	1,837
Share subscription receivable *(Note 23)*	**99,500**	100,200
	204,513	134,502
EQUIPMENT *(Note 7)*	**2,670**	-
	$ **207,183**	$ 134,502
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Bank indebtedness *(Note 9)*	$ **47,036**	$ 16,208
Accounts payable and accrued liabilities *(Note 10)*	**189,565**	-
Callable debt *(Note 11)*	**73,227**	-
Convertible debt *(Note 12)*	**11,293**	-
Payroll taxes payable	**182,123**	-
Bonuses payable	**-**	81,000
	503,244	97,208
SHAREHOLDERS' DEFICIENCY		
Equity portion of convertible debt *(Note 12)*	**3,232**	-
Share capital *(Notes 14, 23)*	**2,950,930**	101,200
Deficit	**(3,250,223)**	(123,006)
Other equity instruments	**-**	59,100
	(296,061)	37,294
	$ **207,183**	$ 134,502

ON BEHALF OF THE BOARD

Director

Director

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

PREVECEUTICAL MEDICAL INC.
Statement of Loss and Comprehensive Loss
For the Year Ended December 31, 2016 and 2015

	2016	2015 *(2 months)*
REVENUES *(Note 16)*	**$ 31,054**	$ -
COST OF SALES		
Sales discount	**13,390**	-
Purchases	**13,296**	-
Freight in and duty	**5,115**	-
Royalties *(Note 13)*	**1,001**	-
Merchant service fees	**320**	-
	33,122	-
GROSS PROFIT	**(2,068)**	-
EXPENSES		
Salaries and wages	**1,588,626**	81,600
Consulting fees	**406,849**	-
Travel	**154,254**	17,319
Accounting fees	**137,114**	-
Advertising and promotion	**70,920**	6,892
Meals and entertainment	**61,704**	3,933
Office	**42,676**	9,522
Sub-contracts	**40,241**	-
Legal fees	**40,059**	-
Professional fees	**39,169**	2,375
Meetings and conventions	**36,367**	-
Inventory management	**24,171**	-
Interest and bank charges	**22,798**	284
Memberships	**17,217**	-
Utilities	**14,803**	-
Vehicle	**14,102**	229
Website	**7,021**	-
Repairs and maintenance	**3,607**	-
Business taxes and licences	**783**	352
Amortization	**481**	-
Equipment rentals	**-**	500
	2,722,962	123,006
LOSS FROM OPERATIONS	**(2,725,030)**	(123,006)
LOSS BEFORE IMPAIRMENT	**(2,727,217)**	(123,006)
IMPAIRMENT *(Note 8)*	**400,000**	-
NET LOSS	**$ (3,127,217)**	$ (123,006)
EBITA	**$ (2,701,751)**	$ (122,721)
LOSS PER SHARE	**$ (0.071)**	$ (0.008)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**38,063,193**	16,208,791

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

PREVECEUTICAL MEDICAL INC.

Statement of Changes in Equity

Year Ended December 31, 2016 and 2015

	Share Capital						
	Common Shares	Paid-In Capital	Share Issuance	Other Equity Instruments	Deficit	Convertible Loan Equity	Total
Balance at incorporation	17,000,000	$ 101,200	$ -	$ -	$ -	-	$ 101,200
Net loss	-	-	-	-	(123,006)	-	(123,006)
Issue of shares	-	-	-	-	-	-	-
Shares to be issued	-	-	-	59,100	-	-	59,100
December 31, 2015	17,000,000	101,200	-	59,100	(123,006)	-	37,294
Issue of shares	23,627,408	1,664,232	-	-	-	-	1,664,232
Share issuance cost	-	-	(60,577)	-	-	-	(60,577)
Convertible loan equity	-	-	-	-	-	3,232	3,232
Employee stock option plan	3,950,000	1,186,975	-	-	-	-	1,186,975
Net loss	-	-	-	-	(3,127,217)	-	(3,127,217)
December 31, 2016	44,577,408	2,952,407	(60,577)	-	(3,250,223)	3,232	(296,061)

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

Amended and restated

PREVECEUTICAL MEDICAL INC.

Statement of Cash Flow

Year Ended December 31, 2016 and 2015

	2016	2015 *(2 months)*
OPERATING ACTIVITIES		
Net loss	**$ (3,127,217)**	$ (123,006)
Items not affecting cash:		
Amortization of equipment	**481**	-
Convertible loan accretion	**3,232**	-
Intangible asset impairment	**400,000**	-
	(2,723,504)	(123,006)
Changes in non-cash working capital:		
Accounts receivable	**(897)**	-
Inventory	**(59,861)**	-
Prepaid expenses	**24,450**	(24,846)
Goods and services tax	**(26,984)**	(619)
Security / tender deposits	**(14,419)**	(1,837)
Share subscription receivable	**700**	(100,200)
Accounts payable and accrued liabilities	**189,566**	-
Payroll taxes payable	**182,123**	-
Bonuses payable	**(81,000)**	81,000
Loan receivable	**7,000**	(7,000)
	220,678	(53,502)
Cash flow used by operating activities	**(2,502,826)**	(176,508)
INVESTING ACTIVITIES		
Purchase of equipment	**(3,152)**	-
Purchase of intangible assets	**(400,000)**	-
Cash flow used by investing activities	**(403,152)**	-
FINANCING ACTIVITIES		
Convertible debt	**11,293**	-
Common shares	**2,849,730**	101,200
Callable debt	**73,227**	-
Other equity instruments	**(59,100)**	59,100
Cash flow from financing activities	**2,875,150**	160,300
DECREASE IN CASH FLOW	**(30,828)**	(16,208)
Deficiency - beginning of year	**(16,208)**	-
DEFICIENCY - END OF YEAR *(Note 9)*	**$ (47,036)**	$ (16,208)

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

1. NATURE AND CONTINUANCE OF BUSINESS

Preveceutical Medical Inc. (the "Company") is incorporated provincially under the Business Corporations Act of British Columbia on October 5, 2015. The Company's corporate office is located at Suite 605-815 Hornby Street, Vancouver, BC, V6Z 2E6. The Company is in the business of licensing, branding and marketing of nutraceutical and wellness products. The Company's initial go-to-market is CELLB9, an immune system booster, where production of CELLB9 is manufactured by Samson Pharmaceuticals Inc., a 3rd party FDA approved facility in the United States of America. Following the launch of CELLB9, the Company plans to license, brand and market additional nutraceutical and wellness products.

The ability of the Company to meet its commitments and ongoing operating expenses will depend upon the following:

- The ability to raise further funds through the issue of equity financing, and;
- Continued financial support from the creditors.

Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future.

Based on the Company's financial position at December 31, 2016, available funds are not considered adequate to meet requirements for fiscal 2017 based on budgeted expenditures for operations and project investigations. To meet working capital requirements, the Company will have to access financial resources through additional equity placements. There can be no assurances that such funds will be available and/or on terms acceptable by the Company. These conditions cast significant doubt on the Company's ability to continue is a going concern.

While these financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are significant conditions and events that cast significant doubt on the validity of that assumption.

At December 31, 2016, the Company has an accumulated deficit of $3,250,223 (2015 - $123,006), a working capital (deficit) of ($298,731) (2015 - $42,145) and incurred a net loss of $3,127,217 (2015 - $123,006). These conditions indicate the existence of a material uncertainty that may cause significant doubt upon the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were initially authorized by the Audit Committee and Board of Directors of the Company on April 13, 2017 and the restated and amended financial statements were approved by the Audit Committee and Board of Directors of the Company on May 30, 2017.

Use of estimates and judments

The preparation of the 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 statement. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, 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) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

ii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. management has determined that the funtional currency for the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Restated and amended financial statements

(continues)

2. BASIS OF PRESENTATION *(continued)*

These financial statements have been amended to correct for errors in the original year-end financial statements. The amendment relates to shareholder loan and share capital on the Statement of Financial Position for the year ended December 31, 2016 and 2015. The impact of these changes is highlighted in the table below:

December 31, 2016		
Statement of Financial Position	As Restated	As Previously Reported
Current assets	$204,513	$105,013
Equity	(296,061)	(395,561)
December 31, 2015		
Statement of Financial Position		
Current assets	$134,502	$35,002
Equity	37,294	(62,206)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments policy

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is 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 it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized 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.

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 amount of the investment, including impairment losses, are recognized through profit or loss.

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 through profit or loss.

The Company has not classified any financial assets as held-to-maturity or available for sale.

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.

The Company’s receivables are classified as loans and receivables.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 based on 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 or 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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is 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 it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities - This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost. The Company’s accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life on a declining balance basis based on the following rates:

- Furniture and equipment - 20% declining balance
- Software - 40% declining balance

The Company regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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 parties 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.

Interest-bearing loans and other borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

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

Loss per share

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

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Convertible debt instruments

The company's convertible debt instruments are segregated into their debt and equity elements at the date of issue, based on the relative fair market values of these elements in accordance with the substance of the contractual agreements. The debt element of the instruments is classified as a liability, and recorded as the present value of the company's obligation to make future interest payments in cash, and settle the redemption value of the instrument in cash or in a variable number of shares. The carrying value of the debt element is accreted to the original face value of the instruments, over their deemed life, using the effective interest method.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the company were unable to continue its operations.

Revenue recognition

Contract revenue is recognized when goods are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Callable debt

The company's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Future accounting pronouncements

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9, Financial Instruments: Classification and Measurement

IFRS 9 was issued in December 2009, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted if the date of initial application is before February 1, 2015, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning November 1, 2018. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

Effective for annual period beginning on or after January 1, 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees- leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. The company is currently evaluating the impact of IFRS 16 on its financial statements and plans to adopt the new standard on the required effective date.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to hae a material impact on the Company.

4. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

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 the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2016.

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

6. INVENTORIES

Inventory is carried at its fair value of $59,861. Cost of inventories recognized as an expense throughout the year is $2,397.

7. EQUIPMENT

	Cost	Accumulated amortization	**2016 Net book value**	2015 Net book value
Computer software	$ 1,683	$ 334	**$ 1,349**	$ -
Furniture and fixtures	1,468	147	**1,321**	-
	$ 3,151	$ 481	**$ 2,670**	$ -

8. INTANGIBLE ASSETS

	2016	2015
Purchase option exercised	**$ 300,000**	$ -
Licences - cost	**100,000**	-
	400,000	-
Impairment	**(400,000)**	-
	$ -	$ -

During the year ended December 31, 2016, intangibles with indefinite useful life acquired through the purchase of Cornerstone Global Partners Inc. (“CGP”) property, with a value in use of $400,000 were allocated to the Company’s Cash Generating Unit (“CGU”), which is the operating and reportable segment, for impairment testing.

The Company performed its annual impairment test on its intangible assets at December 31, 2016. Based on the analysis performed, the estimated recoverable value of the intangible assets was determined to be nil, and accordingly the estimated recoverable amount of the asset was adjusted to nil. The Company recorded $400,000 as an impairment loss. The recoverable amount was estimated based on fair value less costs of disposal under the replacement cost methodology that relied on level 3 inputs.

9. CASH

	2016	2015
Bank indebtedness	**$ (47,036)**	$ (16,208)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Consultants	**$ 69,376**	$ -
Employee expenses	**8,583**	**-**
Other payables	**57,661**	**-**
Accrued liabilities	**53,946**	-
	$ 189,566	$ -

11. CALLABLE DEBT

	2016	2015
License agreement loan bearing interest at 5% per annum. The loan matures on February 1, 2017, is unsecured and is callable on demand.	**$ 73,227**	$ -
Balance due in one year	**(73,227)**	-
	$ -	$ -

Interest accrued for December 31, 2016 is $3,227.

On December 9, 2016, the Company entered into a Credit Facility Agreement (the "Facility") with Stephen and Kimberly Van Deventer (the "Creditors"). The facility is available for a maximum of $1,000,000 CAD at an interest rate of 5% simple interest per annum calculated on a daily basis. Amounts drawn by December 31, 2016 were nil and no interest amounts were paid.

See note 22 for extension of callable debt and credit facility agreement amendment subsequent to year-end.

12. CONVERTIBLE DEBT

	2016	2015
Initial balance	**$ 14,000**	$ -
Equity portion of loan	**(4,585)**	-
Acccretion balance	**1,353**	-
Interest accrued	**525**	-
	$ 11,293	$ -

Convertible debt bearing interest at 5% per annum without annual compounding, repayable one year from date of contract. Interest is calculated and payable on a quarterly basis. The loan matures on March 27, 2017 and is unsecured. Loan is callable on demand and convertible into shares at $0.10 per share of the balance outstanding on maturity date.

On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by market to instrument of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The difference is attributed to the equity component of the compound financial instrument. The balance recognized as equity is $3,232 (equity portion of loan less accretion balance).

Therefore, we have derecognized the liability component of $1,353 and recognized this as equity in accordance with IAS 32. The market rate for similar debts was determined to be 8%.

See note 22 for extension of convertible debt subsequent to year-end.

13. RELATED PARTIES

	2016	2015
Related party transactions		
Cornerstone Global Partners Inc.		
Rent	**$ 24,000**	$ 6,300
License agreement loan	**(105,000)**	-
Repayment of loan	**35,000**	-
Interest accrued on loan	**(3,227)**	-
Royalty	**1,001**	-
	(48,226)	6,300
Stephen Van Deventer		
CEO and Chairman		
Salary and wages	**180,000**	81,000
Share based compensation	**75,125**	-
Share subscription receivable	**49,750**	49,750
	304,875	130,750
Kimberly Van Deventer		
President and Director		
Salary and wages	**$ 144,000**	$ -
Share based compensation	**75,125**	-
Share subscription receivable	**49,750**	49,750
Loan receivable	**-**	7,000
	268,875	56,750
Jeremy Wright		
CFO and Director (CFO ended September 6, 2016, Director ended February 19, 2017)		
Consulting fees	**69,000**	-
Share based compensation	**45,075**	-
	114,075	-
Brian Harris		
VP Corporate Development and Director		
Consulting fees	**90,000**	-
Share based compensation	**300,500**	-
	390,500	-
Shabira Rajan		
CFO, Controller and Corporate Secretary		
Consulting fees	**35,000**	-
Share based compensation	**75,125**	-
	110,125	-
Greg Reid		
Director		
Share based compensation	**90,150**	-

(continues)

13. RELATED PARTIES *(continued)*

	2016	2015
Alex Bayer		
Director (Director ended February 10, 2017)		
Share based compensation	**60,100**	-
	$ 1,290,474	$ 193,800

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Cornerstone Global Partners Inc. has a royalty agreement in place where they are paid a 5% royalty quarterly based on gross revenues for the period.

Due to related parties

	2016	2015
Current portion due from related parties		
Due from Kimberly Van Deventer	**$ 45,505**	$ -
Due from Stephen Van Deventer	**49,750**	-
	$ 95,255	$ -
Current portion due to related parties		
Due to Cornerstone Global Partners Inc.	**$ 75,327**	$ -
Due to Brian Harris	**18,833**	-
Due to Jeremy Wright	**18,900**	-
Due to Shabira Rajan	**31,643**	-
	$ 144,703	$ -

Advances from Cornerstone Global Partners Inc. bear interest at 5% and are due on demand. For further information on loan advance, see note 11 on callable debt. All other related party balances bear no interest and have no stated terms of repayment.

14. SHARE CAPITAL

Authorized:
Unlimited Common class "A" voting shares

		2016		2015
Issued:				
44,577,408	Common class 'A' voting shares	**$ 2,950,930**	$	101,200

	2016		2015	
	Shares	**Amount**	Shares	Amount
Class A				
Shares outstanding at the beginning of the year	**17,000,000**	**$ 101,200**	-	$ -
Issued	**22,876,900**	**1,585,788**	17,000,000	101,200
Stock option plan shares issued	**3,950,000**	**1,186,975**	-	-
Shares subscribed for and fully paid	**159,508**	**76,967**	-	-
Shares outstanding at the end of the year	**43,986,408**	**$ 2,950,930**	17,000,000	$ 101,200

Please see the detail in note 15.

15. SHARE CAPITAL

	Shares	Amount
Balance on December 31, 2015	17,000,000	101,200
January 22, 2016	2,426,400	242,640
February 17, 2016	15,000,000	300,000
March 15, 2016	486,000	48,600
March 17, 2016	1,125,000	112,500
May 18, 2016	600,000	60,000
June 1, 2016	500,000	50,000
June 17, 2016	1,395,000	348,750
June 26, 2016	19,200	4,800
July 4, 2016	920,000	230,000
August 8, 2016	100,000	25,000
August 14, 2016	3,800,000	1,141,900
August 24, 2016	500,000	125,000
August 25, 2016	396,300	99,075
August 31, 2016	(100,000)	(30,050)
September 1, 2016	250,000	75,125
December 15, 2016	159,508	76,967
	44,577,408	3,011,507

On January 22, 2016, the Company issued 2,426,400 new shares at $0.10 per share in the amount of $242,640.

On February 17, 2016, the Company issued 15,000,000 new shares at $0.02 per share in exchange of the exclusive right and license of Cornerstone Global Partners Inc. (“CGP”) to use CGP’s property including and not limited to trademarks, intellectual property, URL’s and the use of the Property on packing, promotional and advertising material associated with the business.

On March 15, 2016, the Company issued 486,000 new shares at $0.10 per share in the amount of $48,600.

On March 17, 2016, the Company issued 1,125,000 new shares at $0.10 per share in the amount of $112,500.

On May 18, 2016, the Company issued 600,000 new shares at $0.10 per share in the amount of $60,000.

On June 1, 2016, the Company issued 500,000 new shares at $0.10 per share in the amount of $50,000.

On June 17, 2016, the Company issued 1,395,000 new shares at $0.25 per share in the amount of $348,750.

On June 26, 2016, the Company issued 19,200 new shares at $0.25 per share in the amount of $4,800

On July 4, 2016, the Company issued 920,000 new shares at $0.25 per share in the amount of $230,000.

On August 8, 2016, the Company issued 100,000 new shares at $0.25 per share in the amount of $25,000.

(continues)

15. SHARE CAPITAL *(continued)*

	Shares	Amount

On August 14, 2016, the Company implemented an authorized Stock Option Plan. Specifically, the Company has granted 3,800,000 incentive stock options to purchase class A common shares of the Company under the Company's 10% rolling stock option plan to certain directors, officers, a consultant and an employee of the Company. Each option entitles the holder to common shares valued at $0.25 per share until August 14, 2018 and vest immediately. The Binomial option pricing model was used to determine the fair value of the common shares using the following assumption: risk free interest rate of 1.00%, expected divided yield of 0%, stock price volatiility of 50%.

On August 24, 2016, the Company issued 500,000 new shares at $0.25 per share in the amount of $125,000.

On August 25, 2016, the Company issued 396,300 new shares at $0.25 per share in the amount of $99,075.

On August 31, 2016, the Company amended the authorized Stock Option Plan. Specifically, the company cancelled 100,000 of the options held by the former CFO Jeremy Wright.

On September 1, 2016, the Company issued 250,000 options to Shabira Rajan as the incoming CFO and Controller. Each option entitles the holder to common shares valued at $0.25 per share until September 1, 2018 and vest immediately. The Binomial option pricing model was used to determine the fair value of the common shares using the following assumption: risk free interest rate of 1.00%, expected divided yield of 0%, stock price volatiility of 50%.

On December 15, 2016, the Company issued 159,508 new shares at $0.50 and $0.35USD in the amount of $76,967.

Share issuance costs for the period were $60,577.

16. SEGMENTED REVENUE

	2016	2015
Canadian revenue	**$ 18,726**	$ -
United States revenue	**9,363**	-
Other revenue	**2,965**	-
	$ 31,054	$ -

The Company sells its product globally and the reportable segments are those that represent more than 10% of gross revenue in a geographic location. Canadian sales make up 61% of gross revenue and the United States make up 31% of gross revenue.

17. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 26.00% (2015 - 26.00%) to the income for the year and is reconciled as follows:

	2016	2015
Loss for tax purposes	**$ (1,458,188)**	$ (112,380)
Income tax expense at the combined basic federal and provincial tax rate:	**$ (379,129)**	$ (29,219)
Valuation allowance	**379,129**	29,219
Effective tax expense	**$ -**	$ -

18. NON-CAPITAL TAX LOSSES CARRIED FORWARD

The company has incurred losses of $2,640,744 for tax purposes which are available to reduce future taxable income. Such benefits will be recorded as an adjustment to the tax provision in the year realized. The losses will expire as follows:

2036	$ 112,380
2037	2,640,744
	$ 2,753,124

At December 31, 2016, the Company has Canadian tax loss carried forwards that total $2,753,124 to apply against future year's income for Canadian income tax purposes, subject to final determinal by taxation authorities.

19. FAIR VALUE OF NON-DERIVATIVE FINANCIAL INSTRUMENTS

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and reminaing maturity. The fair value of interest-bearing financial assets and liabilities is determined by discounting the contractual principal and interest-payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. Carrying values of the Company's financial assets and financial liabilities approximate their fair values at December 31, 2016.

Carrying values of financial assets and financial liabilities as at December 31, 2016 were as follows:

	Fair value through profit and loss	Loans and current assets	Other liabilities	**2016**
December 31, 2016				
Cash	$ (47,065)	$ -	$ -	**$ (47,065)**
Accounts receivable	-	897	-	**897**
Inventory	-	59,861	-	**59,861**

(continues)

19. FAIR VALUE OF NON-DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

	Fair value through profit and loss	Loans and current assets	Other liabilities	**2016**
Prepaid expenses	-	16,651	-	**16,651**
Accounts payable and accrued liabilities	-	-	(371,689)	**(371,689)**
Callable debt	-	-	(73,227)	**(73,227)**
Convertible debt	-	-	(11,293)	**(11,293)**
	(47,065)	77,409	(456,209)	**(425,865)**
	$ (47,065)	$ 77,409	$ (456,209)	**$ (425,865)**

20. FAIR VALUE HIERARCHY

The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	**2016**
Section heading				
Cash	$ (47,065)	$ -	$ -	**$ (47,065)**
Accounts receivable	897	-	-	**897**
Inventory	-	59,861	-	**59,861**
Prepaid expenses	-	16,651	-	**16,651**
Accounts payable and accrued liabilities	(371,689)	-	-	**(371,689)**
Callable debt	-	(73,227)	-	**(73,227)**
Convertible debt	-	-	(11,293)	**(11,293)**
	(417,857)	3,285	(11,293)	**(425,865)**
	$ (417,857)	$ 3,285	$ (11,293)	**$ (425,865)**

21. FINANCIAL INSTRUMENTS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Fair value

The company's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The fair value of amounts due to shareholders is less than carrying value because the amounts are non-interest bearing. However, because the amounts due to shareholders have no fixed repayment terms, the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the company for debt with similar terms.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The company is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

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 exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Commodity risk

The company is exposed to fluctuations in commodity prices for natural gas, crude oil and natural gas liquids. Commodity prices are affected by many factors including supply, demand and the Canadian to U.S. dollar exchange rate. The company had no financial hedges or price commodity contracts in place at year end.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of receivables, accounts payable and accrued liabilities and due from related parties.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and due to related parties approximate their book values because of the short-term nature of these instruments.

(continues)

21. FINANCIAL INSTRUMENTS *(continued)*

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Transaction costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the cost with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

22. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Issuance of Shares

During the period from January 1, 2017 to April 10, 2017, 2,000 new shares have been issued at $0.35USD per share.

Amalgamation with Carrara Exploration Corp.

On March 21, 2017, the Company entered into an amalgamation agreement with Carrara Exploration Corp. (Carrara) and a newly incorporated subsidiary of Carrara (Subco) whereby the Company will become a wholly owned subsidiary of Carrara by way of a three-cornered amalgamation.Pursuant to the terms of the amalgamation agreement, the Company and Subco will amalgamate and continue as a B.C. corporation which will be a wholly owned subsidiary of Carrara. Upon completion of the amalgamation, all of the issued and outstanding common shares in the capital of the Company held by the holder of the Company's shares will be cancelled and Carrara will issue an equal number of common shares without par value in capital of the company to the Company shareholders who will then control a majority of the issued and outstanding voting securities of Carrara. The amalgamation and the issuance of the Carrara shares to the Company shareholders will constitute a reverse takeover by the Company.

Material Agreements

The Company signed a Letter of Intent ("LOI") on April 7, 2017 covering two research programs which align with the Company's vested interest in preventative health care. These programs will focus on development and evalution translatable formulations for delivery of Cannabinoids ("CBDs") and delivery of nutraceutical or pharmaceutical products to diabetes patients based on the Company's intellectual property and product line. The parties are currently negotiating the entry into a definitive agreement regarding the services to be provided by UniQuest, which agreement will supersede the LOI once executed by the parties.

Callable Debt Agreements

Subsequent to year-end, the callable debt arrangements with Cornerstone Global Partners Inc. The new agreements extend Cornerstone Global Partners Inc. to February 1, 2018.

On March 31, 2017, the credit facility was amended to include an additional $1,000,000 to make the line of credit available for use by the Company to $2,000,000 and is subject to the same terms as the original agreement.

Convertible Debt

Subsequent to year-end the convertible debt arrangement was renegotiated, extending the arrangement to March 27, 2018.

23. MATTERS ARISING SUBSEQUENT TO FINANCIAL STATEMENT ISSUANCE

These audited financial statements are an amendment and restatement of audited financial statements for the December 31, 2016 and 2015 financial years which were approved by the board of directors of the Company on April 13, 2017. In conjunction with the Company's proposed going public transaction, the board of directors authorized the restatement. On May 30, 2017, the board of directors of the Company amended the issuance price of 5,000,000 common shares issued to Kim Van Deventor (2,500,000 shares) and Stephen Van Deventor (2,500,000 shares) on October 10, 2015 from $0.0001 to $0.02 per share. This resulted in an adjustment to the initial share capital and the share subscription receivalbe accounts of $99,500. Subsequently, on May 30, 2017, the share subscription receivable amount of $99,500 was settled in full against an outstanding credit facility from the same shareholders.

SCHEDULE "B"

Unaudited *pro forma* consolidated financial statements of the resulting Issuer

See attached.

Preveceutical Medical Inc.

(Resulting Issuer)

Pro Forma Consolidated Financial Statements

For the year ended December 31, 2016

(Expressed in Canadian Dollar)

(Unaudited)

PREVECEUTICAL MEDICAL INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT AS DECEMBER 31, 2016
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Carrara Exploration Corp	PreveCeutical Medical Inc.	Pro Forma Transactions	Pro Forma Statement of Financial Position	Note Ref.
ASSETS					
Current assets					
Cash	$118,747	($47,036)	$1,380,000	**$1,451,711**	4(i)
Accounts receivable	0	897	0	**897**	
GST Receivable	13,097	27,603	0	**40,700**	
Inventory	0	59,861	0	**59,861**	
Prepaids and deposits	0	16,652	0	**16,652**	
	131,844	57,977	1,380,000	**1,569,821**	
Exploration and evaluation asset	132,691	0	(132,691)	**0**	4(ii)
Capital assets	0	2,670	0	**2,670**	
	$264,535	$60,647	$1,247,309	**$1,572,491**	
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	17,678	189,565	80,000	**287,243**	4(iii)
Callable Debt	0	73,227	**0**	**73,227**	
Convertible Debt	0	11,293	**0**	**11,293**	
Government remittances payable	0	182,123	0	**182,123**	
	$17,678	**$456,208**	$80,000	**$553,886**	
SHAREHOLDERS' EQUITY					
Equity portion of convertible debt	0	3,232	**0**	**3,232**	
Share capital	480,349	2,851,430	1,380,000	**6,424,881**	4(i)
			(480,349)		4(iv)
			2,193,451		4(iv)
Contributed surplus	131,497	0	**(131,497)**	**0**	4(iv)
Deficit	(364,989)	(3,250,223)	(80,000)	**(5,409,508)**	4(iii)
			364,989		4(iv)
			(2,079,285)		4(iv)
	246,857	(395,561)	2,881,605	**1,018,605**	
Total liabilities and shareholders' equity	$264,535	$60,647	$2,961,605	**$1,572,491**	

See the accompanying notes to the unaudited pro forma consolidated financial statements

PREVECEUTICAL MEDICAL INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2016
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Carrara Exploration Corp	PreveCeutical Medical Inc.	Pro Forma Transactions	Pro Forma Statement of operations	Note Ref.
Revenue	$0	$31,054	$0	**$31,054**	
Cost of goods	0	33,122	0	**33,122**	
Gross Profit/(Loss)	**$0**	**($2,068)**	**$0**	**($2,068)**	
Expenses					
Advertising and promotion	8,295	70,920	0	**79,215**	
Professional and management fees	101,639	240,513	0	**342,152**	
Consulting	28,500	447,090	0	**475,590**	
General and administrative expenses	32,644	338,480	0	**371,124**	
Rent and utilities	6,910	36,852	0	**43,762**	
Salaries and wages	0	401,651	0	**401,651**	
Stock-based compensation	46,916	1,186,975	0	**1,233,891**	
Amortization	0	481	0	**481**	
Loss from operations	**(224,904)**	**(2,725,030)**	**0**	**(2,949,934)**	
Other Items					
Exchange loss	0	2,187	0	**2,187**	
Costs related to proposed transaction – listing cost	0	0	80,000	**2,159,285**	4(iii)
			2,079,285		4(iv)
Impairment of intangible assets	0	400,000	0	**400,000**	
Exploration & evaluation assets discontinued	0	0	132,691	**132,691**	4(ii)
Net loss	**($224,904)**	**($3,127,217)**	**($2,291,976)**	**($5,644,097)**	
Basic and Diluted Loss per common share				**(0.1027)**	
Weighted average number of common shares outstanding - basic and diluted				**54,966,308**	5

See the accompanying notes to the unaudited pro forma consolidated financial statements

PREVECEUTICAL MEDICAL INC.
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The pro forma consolidated financial statements have been prepared for inclusion in the Information Circular.

The pro forma consolidated financial statements should be read in conjunction with the audited financial statements, and the unaudited interim financial statements and other information referred to in the Information Circular. It has been compiled from:

a) The audited financial statement of PreveCeutical Medical Inc. (“PMI”) for the year ending December 31, 2016.

b) The unaudited financial statements of Carrara Exploration Corp. (Carrara) for the period ending January 31, 2017.

In the opinion of management, these pro forma consolidated financial statements include all the adjustments necessary for fair presentation of the proposed transaction in accordance with International Financial Reporting Standards (IFRS).

The pro forma consolidated financial statements are not necessarily indicative of the results of operations of financial position that may be obtained in the future.

2. DESCRIPTION OF THE PROPOSED TRANSACTION

On March 21, 2017, Carrara entered into an amalgamation agreement with a newly incorporated subsidiary of Carrara (Subco) and PMI will become a wholly owned subsidiary of Carrara by way of a three-cornered amalgamation. Pursuant to the terms of the amalgamation agreement, PMI and Subco will amalgamate and continue as a B.C. corporation which will be a wholly owned subsidiary of Carrara. Upon completion of the amalgamation, all of the issued and outstanding common shares in the capital of PMI held by the holders of the PMI shares will be cancelled, and Carrara will issue an equal number of common shares without par value in capital of Carrara to the PMI shareholders who will then control a majority of the issued and outstanding voting securities of Carrara. The amalgamation and the issuance of the Carrara shares to the PMI shareholders will constitute a reverse takeover of the company by PMI.

The Resulting Issuer, the corporation resulting from the completion of the Proposed Transaction, will be named "PreveCeutical Medical Inc." (“PMI”) (or such other name as may be determined in the discretion of Carrara and PMI and is acceptable to the Exchange) and will carry on the business of PMI.

3. ACCOUNTING POLICIES

The accounting policies used in the preparation of these pro forma financial statements are consistent with those described in the audited financial statements of PMI for the year ended December 31, 2016, and the audited financial statements of Carrara for the year ended July 31, 2016.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

This note should be read in conjunction with Note 1, Basis of Presentation and Note 2, Description of the Proposed Transaction. The unaudited pro forma consolidated financial statements have been compiled assuming the transaction occurred on December 31, 2016. The pro forma consolidated financial includes the following assumptions and adjustments:

(i) Carrara raises $1,500,000 with a private placement issue of 3,000,000 common shares. $120,000 (8% of gross proceeds) has been recorded for finders' fees which is the maximum that Carrara may pay to any finder of the aggregate gross proceeds of the Carrara Financing raised by such finder, which finder's fees shall be payable by Carrara, in its discretion, in cash, Units (one share and one warrant) or a combination of cash and Units.

(ii) If the Proposed Transaction is approved by Carrara and PMI Shareholders, Carrara will terminate its option to acquire the Boomerang Property and will no longer be engaged in the business of mineral exploration and mineral property acquisition (see Carrara July 31, 2016 Audited Financial Statements for information on property option). The amount that has been expended to date for the property option ($132,690) will be expensed.

(iii) The estimated direct cost of $80,000 for the transaction is expensed in the pro forma consolidated statement of operations as costs related to proposed transaction.

(iv) Reverse take-over accounting
The assets and liabilities of PMI are included in the pro forma consolidated statement of financial position at their respective carrying values as at December 31, 2016. The net assets of Carrara are included in the pro forma consolidated statement of financial position at their fair value as at January 31, 2017. The historical values of Carrara's share capital, contributed surplus and deficit are eliminated. The resulting issuer is deemed to have issued common shares to Carrara based on issue of one (1) new share for every three (3) old shares. The consideration is $0.50 per share based on the value per unit of the non-brokered private placement by Carrara in conjunction with the Proposed Transaction.

The $0.50 per Unit consists of one Carrara Share and one transferrable common share purchase warrant, with each warrant entitling the holder to purchase one Carrara Share at the exercise price of $1.00 per Carrara Share for a period of 24 months after the date of issuance of the Unit.

The shares issued to Carrara are recorded as additional amounts in shareholders' equity and are set out as follows along with a summary of fair value of net identifiable assets acquired:

	No. of Shares	**Amount**
Consideration deemed to be issued:		
Carrara common shares deemed to be issued	4,386,901	2,193,451
Fair value of identifiable net assets acquired		
Current assets		131,844
Current liabilities		(17,678)
Costs related to proposed transaction – listing cost		2,079,285
		2,193,451

The number of shares included in the Carrara common shares deemed to be issued include:

	Current Shares	**Consolidated Shares (3 for 1)**
Approximate shares of existing shareholders	11,987,000	3,995,667
Carrara stock options	800,000	266,667
Carrara agent options	373,700	124,567
	13,160,700	4,386,901

5. PRO FORMA ISSUED SHARE CAPITAL

Prior to the closing of the Proposed Transaction, Carrara is required to complete a consolidation of all of its issued and outstanding common shares without par value on the basis of three (3) old Carrara Shares for one (1) new Carrara Share.

At the date of the completion of the Proposed Transaction, Carrara will own the wholly-owned subsidiary, PreveCeutical Medical Holdings Inc. (formerly Subco). All of the issued and outstanding PMI shares will be cancelled and Carrara will issue an equal number of Carrara shares to the former PMI shareholders.

For the purpose of the unaudited pro forma financial statements, the loss per share has been calculated using the weighted average number of shares that would have been outstanding as at December 31, 2016 after giving effect to the Proposed Transaction and shares being issued on the date of the Proposed Transaction. This includes 3,000,000 shares issuable pursuant to the Carrara Financing.

	Year Ended December 31, 2016
Weighted average number of common shares - basic and diluted	48,966,308
Pro forma weighted average common shares - basic and diluted	**54,966,308**
Pro forma loss	($5,644,097)
Pro forma loss per share - basic and diluted	**($0.1027)**

SCHEDULE "C"

Immune Boosting Properties of Scorpion Venom

Immune Boosting Properties

CELLB9's active ingredient is scorpion venom. Scorpion venom has anti-cancer properties (see below) which can be indirectly attributed to immune boosting (immune-oncology), as it facilitates unmasking of tumours so that they are recognized by the immune system (a form of immune boosting).

Scorpion peptides have selective cancer cell-targeting and therapeutic properties.[1] The most studied and reported scorpion-derived peptide is chlorotoxin ("CTx"), specifically CTx is present in the venom of the Israeli Scorpion. Researchers are adapting the sequence[2] and tethering peptides with other vehicles to optimize their therapeutic activity.[3]

The scorpion venom contains CTx, which can bind preferentially to cancer cells giving it potential uses in cancer treatment.[4] For example, CTx has antiangiogenic properties (meaning it can halt the process of developing new blood vessels which is used clinically to treat cancer).[5] *In vitro* it has been shown to inhibit the migration and invasion of glioma cells and human umbilical vein endothelial cell migration, meaning it has the potential to interfere with the spread of cancer.[6]

There are also uses for CTx in cancer detection such as optical imaging. For example, "tumour paint" is a fluorescent molecular probe whereby CTx is linked with Cy5.5 ("CTx:Cy5.5").[7] CTx:Cy5.5 can be used to delineate tumorous and non-tumorous cells.[8]

Additional Examples of Medical Benefits

---

[1] Fu, Yuejun, *et al*. (2012) Chlorotoxin-conjugated nanoparticles as potential glioma-targeted drugs. *J Neurooncol, 107*, 457–462. doi: 10.1007/s11060-011-0763-6 [Fu]; Xiang. Yu, *et al*. (2011) Chloride channel-mediated brain glioma targeting of chlorotoxin-modified doxorubicine-loaded liposomes. *J Control. Release, 152*, 402-410. doi; 10.1016/j.jconrel.2011.03.014 [Xiang]; Xu, Tengfei, *et al*. (2016) Identification of two novel Chlorotoxin derivatives CA4 and CTX-23 with chemotherapeutic and anti-angiogenic potential. *Scientific Reports, 6,* 1-14. doi: 10.1038/srep19799 [Xu].

[2] Xu, *supra* note 1.

[3] Fu, *supra* note 1, Xiang, *supra* note 1.

[4] Ojeda, Paola G. (2016) Review Chlorotoxin: Structure, Activity, and Potential Uses in Cancer Therapy. Peptide Science, 106(1), 25-36. doi: 10.1002/bip.22748 at p 25 [Ojeda]; Ding, J, et al. (2014) Scorpion venoms as a potential source of novel cancer therapeutic compounds. Exp Biol Med (Maywood), 239(4), 387-93. doi: 10.1177/1535370213513991.

[5] Ojeda, *supra* note 4 at p 29.

[6] Ibid; Soroceanu, L, et al. (1999) Modulation of glioma cell migration and invasion using Cl(-) and K(+) ion channel blockers. J Neurosci., 19(14), 5942-52. Retrieved from http://www.jneurosci.org/content/19/14/5942.long [Soroceanu]; Jacoby, DB, et al. (2010) Potent pleitropic anti-angiogenic effects of TM601, a synthetic chlorotoxin peptide. Anticancer Res., 30(1), 39-46 retrieved from http://ar.iiarjournals.org/content/30/1/39.long**.**

[7] Veiseh, M, *et al*. (2007) Tumor paint: a chlorotoxin:Cy5.5 bioconjugate for intraoperative visualization of cancer foci. *Cancer Res., 67*(14), 6882-8. doi: 10.1158/0008-5472.CAN-06-3948.

[8] Ibid; Parrish-Novak, J, et al. (2017) Nonclinical Profile of BLZ-100, a Tumor-Targeting Fluorescent Imaging Agent. Int. J. Toxicol., 36(2), 104-112. doi: 10.1177/1091581817697685.

- CTx is a chloride inhibitor and inhibits chloride channels present in human brain cancer cells;[9]
- CTx inhibits the enzymatic activity of Matrix Metalloproteinase-2 (MMP-2) and reduces MMP-2 surface expression.[10] The enzyme MMP-2 can degrade structural proteins of the extracellular matrix during cancer invasion of normal tissue[11] and is the proposed molecular receptor of CTx in glioma cells;[12] and
- CTx also has cell-penetrating properties, and cellular internalization of CTx has been demonstrated.[13] Other scorpion toxins have cell-penetrating properties as well, such as maurocalcine, which is an agonist of the type-1 ryanodine receptor and has been reported as a cell-penetrating peptide.[14]

PMI's Post-Listing Research Focus

The focus of the post-listing research is the largely unexplored Caribbean Blue Scorpion (the "CBS"). Species differences between extensively studied scorpions, like the Israeli Scorpion, and the CBS will result in previously undisclosed peptide sequences being identified, and PMI anticipates new intellectual property to be generated.

Scorpion venom contains the peptide CTx, of which there are many variants, both natural and engineered, with properties from delivering conventional drugs, to fluorescent markers and gene therapy approaches.[15] PMI intends to isolate bioactive peptides from the CBS and assess their efficacy in glioma models, which will pave the way to exploration of their augmented actions through co-delivery of drugs and/or genes.

Research needs to be conducted to obtain a better understanding of the relationship between the structure and tumour-binding properties of CTx to enable modification and/or introduction of new sequences without introducing adverse effects. PMI's effort to develop more specific, individualized therapies for diseases, and combining diagnostic and therapeutic capabilities into a single agent is another multi-faceted opportunity for intellectual property generation by PMI, and a significant area of research and development with the peptides isolated and identified from the CBS.

[9] Ullrich, N, et al. (1996) Human astrocytoma cells express unique chloride current. Neuroreport, 7(5), 1020-4. PMID: 8804043; Ullrich, N, Sontheimer, H. (1996) Biophysical and pharmacological characterization of chloride currents in human astrocytoma cells. Am J Physiol, 270(5 pt 1), C1511-21. PMID: 8967454.
[10] Ojeda, supra note 4 at p 30.
[11] Sternlicht, MD, Werb, Z. (2001) How matrix metalloproteinases regulate cell behavior. Annu Rev Cell Dev Biol, 17, 463-516. doi: 10.1146/annurev.cellbio.17.1.463; Cox, G, O'Byrne, KJ. (2001) Matrix metalloproteinases and cancer. Anticancer Res, 21(6B), 4207-19. PMID: 11908674
[12] Deshane, J, et al. (2003). Chlorotoxin inhibits glioma cell invasion via matrix metalloproteinase-2. J Biol Chem, 278(6), 4135-44. doi: 10.1074/jbc.M205662200.
[13] Soroceanu, supra note 6.
[14] Fill, M, Copello, JA. (2002) Ryanodine receptor calcium release channels. Physiol Rev, 82(4), 893-922. doi: 10.1152/physrev.00013.2002.
[15] Ojeda, supra note 4.