

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of Alberta, Ontario and British Columbia but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".*

INITIAL PUBLIC OFFERING

May 17, 2018

## PRELIMINARY PROSPECTUS

### ASIA CANNABIS CORP.

(the "Corporation")

Suite 730, 1015 - 4th Street SW

Calgary, Alberta T2R 1J4

Telephone: (403) 612-5655

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### OFFERING:

**5,000,000 COMMON SHARES AT A PRICE OF \$0.25 PER SHARE**

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This prospectus (the "**Prospectus**") qualifies for distribution in Alberta, Ontario and British Columbia 5,000,000 common shares (the "**Common Shares**") in the capital of the Corporation at a price of \$0.25 (the "**Offering Price**") per Common Share (the "**Offering**"). This Offering is being made to investors resident in Alberta, Ontario and British Columbia. The Offering Price and terms of the Common Shares offered pursuant to this Offering have been determined by negotiation between the Corporation and Emerging Equities Inc. (the "**Agent**"). The Common Shares will be sold by the Agent on a commercially reasonable efforts basis pursuant to an agency agreement between the Corporation and the Agent dated ●, 2018 (the "**Agency Agreement**"). The Closing (as defined herein) will be completed on ●, 2018, or such other date as the Corporation and the Agent may agree but in any event no later than ●, 2018.

	Number of Shares	Gross Proceeds	Agent's Commission <sup>(2)</sup>	Net Proceeds <sup>(3)</sup>
Share Offering	5,000,000	\$1,250,000	\$100,000	\$1,150,000
Per Share	1	\$0.25 <sup>(1)</sup>	\$0.02	\$0.23

- (1) The Offering Price of the Shares was determined by negotiation between the Corporation and the Agent, in accordance with the policies of the CSE.
- (2) The Agent will receive an Agent's commission (the "**Agent's Commission**") equal to 8% of the proceeds from the sale of Common Shares pursuant to this Offering. Pursuant to the Agency Agreement, the Agent will also be paid a non-refundable corporate finance fee equal to \$35,000, plus applicable taxes (the "**Corporate Finance Fee**"), of which \$10,000, excluding GST, has been paid, with the remaining \$25,000 to be paid on the Closing Date (as defined herein). The Corporation will reimburse the Agent for all reasonable expenses, including legal expenses, of which a retainer in the amount of \$5,000 (excluding GST) has been paid to the Agent. The Corporation will also grant non-transferable warrants to the Agent (the "**Agent's Warrants**") entitling the Agent to purchase that number of Common Shares equal to 8% of the number of Common Shares sold pursuant to the Offering. The Agent's Commission and number of Agent's Warrants may be reduced to 5% with respect to certain subscriptions listed on a "President's List" to be agreed to between the Corporation and the Agent. The Agent's Warrants may be exercised at a price of \$0.25 per Common Share for a period of two (2) years from the Listing Date (as defined herein). See "Plan of Distribution". This Prospectus qualifies the distribution of the Agent's Warrants to the extent the same are "Qualified Compensation Securities" as herein defined.
- (3) Before deducting the expenses of the Offering, estimated at \$125,000.

THE OFFERING HEREUNDER IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 5,000,000 COMMON SHARES (\$1,250,000). IN THE EVENT SUCH SUBSCRIPTIONS ARE NOT ATTAINED WITHIN 90 DAYS OF THE ISSUANCE OF THE FINAL RECEIPT FOR THIS PROSPECTUS OR, IF AN AMENDMENT TO THE FINAL PROSPECTUS HAS BEEN FILED AND A RECEIPT HAS BEEN ISSUED FOR SUCH AMENDMENT, WITHIN 90 DAYS OF THE ISSUANCE OF A RECEIPT FOR AN AMENDMENT TO THE FINAL PROSPECTUS AND, IN ANY EVENT, NOT LATER THAN 180 DAYS AFTER THE ISSUANCE OF A RECEIPT FOR THE FINAL PROSPECTUS, ALL FUNDS RAISED HEREUNDER WILL BE RETAINED BY THE AGENT AND REFUNDED TO INVESTORS WITHOUT INTEREST OR DEDUCTION.

An investment in the Common Shares should be considered highly speculative due to the nature of the Corporation's business and its early stage of development. Investments in companies engaged in the hemp and marijuana industry involve a significant degree of risk. The hemp and marijuana industry is highly speculative and is a new industry which is rapidly expanding and may not be successful. Purchasers must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. There is no guarantee that the Corporation will be able to secure financing to meet its future needs on reasonable terms. For these reasons, the Offering is suitable only for those purchasers who are able to make long term investments and who are able to risk a loss of their entire investment. Potential purchasers should read this entire prospectus and consult their professional advisors before investing. See "Risk Factors".

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The securities offered hereunder must be considered highly speculative due to the nature of the Corporation's business - see "Risk Factors".

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America. However, the Corporation has applied to list the securities offered under this Prospectus on the Canadian Securities Exchange (the "CSE"). Listing will be subject to the Corporation fulfilling all the listing requirements of the CSE.

The Agent's position is as follows:

Agent's Position	Maximum Number of Securities Available <sup>(1)</sup>	Exercise Period or Acquisition Date	Exercise Price or Acquisition Price
Agent's Warrants	400,000 Common Shares	Two (2) years from the Listing Date	\$0.25
Agent's Option <sup>(2)</sup>	750,000 Common Shares	Up to Seven (7) days from the Closing Date	\$0.25
Agent's Strategic Advisory Services <sup>(3)</sup>	1,120,000 Common Shares	Previously Issued	N/A
<b>Total securities issuable to the Agent:</b>	<b>2,270,000 Common Shares</b>		

- (1) These securities are qualified for distribution by this Prospectus to the extent they are "Qualified Compensation Securities". See "Plan of Distribution"
- (2) In addition to the Agent's Commission the Agent will be granted an option (the "Agent's Option") to purchase up to an additional 750,000 Common Shares, for 7 days following the date of the closing of the Offering (the "Closing Date") at a price of \$0.25 per Share. The prospectus qualifies the distribution of the Agent's Option. See "Plan of Distribution".
- (3) The Agent also received 1,120,000 Common Shares as compensation for the Agent performing strategic advisory services.

National Instrument 41-101 ("NI 41-101") imposes a restriction on the maximum number of securities which may be distributed under a prospectus to an Agent as compensation ("Qualified Compensation Securities"). Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the Shares offered pursuant to this Prospectus, which in the case of this Offering is 500,000 securities. For the purposes of this Offering, the Agent's Warrants totalling 400,000 securities are Qualified Compensation Securities and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 8% of the Offering, those securities exceeding the 8% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agent, as exclusive agent of the Corporation for the purposes of this Offering, conditionally offers the Common Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agent in accordance with the Agency Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Corporation by Heighington Law, Calgary, Alberta, and on behalf of the Agent by Burnet, Duckworth & Palmer LLP, Calgary, Alberta. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. On the Closing Date, should the Agent elect for book entry delivery, the Common Shares will be available for delivery in book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee and will be deposited with CDS. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

Investors should rely only on the information contained in this Prospectus. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Common Shares in any jurisdiction in which the offer is not lawfully permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date of this Prospectus. Subject to the Corporation's obligations under applicable securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Common Shares.

No person is authorized to provide any information or to make any representations in connection with this Offering other than as contained in this prospectus.

**EMERGING EQUITIES INC.**

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Corporation, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "**forward-looking information**") within the meaning of Canadian securities laws. Forward looking information may relate to this Prospectus, the Corporation's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- proposed expenditures to apply the Technology (as defined herein) granted to the Corporation under the License Agreement (as defined herein), and general and administrative expenses (see "Narrative Description of the Business - Recommendations" and "Use of Proceeds" for further details);
- expectations generally regarding completion of this Offering, the completion thereof and the ability to raise further capital for corporate purposes;
- the use of the net proceeds of the Offering;
- expectations generally regarding the acceptance of hemp and marijuana around the world and the societal de-stigmatization thereof;
- expectations that Bill C-45 introduced by the Government of Canada in the House of Common on April 13, 2017 will be enacted into the Cannabis Act (as defined herein) in the summer of 2018;
- the Corporation's intention to grow the business and its operations under the License Agreement;
- the performance of the Corporation's business and operations;
- expectations with respect to future production costs and capacity;
- expectations regarding revenues, expenses and anticipated cash needs;
- market reception of the medical cannabis industry for use by medical patients under the ACMPR (as defined herein);
- expectations with respect to the future growth, and the costs related thereto, in the medical cannabis products industry under the ACMPR, including delivery and treatment mechanisms;
- industry growth trends, including with respect to projected sales and number of product purchasers;
- expectations with respect to the number of patients who will successfully apply to the Minister of Health to grow their own cannabis for personal use;
- the competitive conditions of the industry in which the Corporation operates;
- the legalization of cannabis for medical / recreational use in Canada and around the world, including government regulations pertaining thereto and the timing related thereof and the Corporation's intentions to participate in such market, if and when recreational legalization occurs;
- the expected timing and completion of the Corporation's near-term objectives;
- the competitive advantages and business strategies of the Corporation;
- the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;
- the Corporation's future product offerings;

- the Corporation's plans with respect to the payment of dividends;
- the identity of the NEOs of the Corporation and the expected compensation payable to them;
- the expected grants to be made under the Stock Option Plan;
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies; and
- treatment under applicable governmental regimes for the regulation of medical and proposed recreational cannabis (see "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, those disclosed in any other of the Corporation's public filings, and include the ultimate determination of the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop the Technology under the License Agreement, access to adequate services and supplies, economic conditions, cannabis prices per gram, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to generate revenue through the deployment of the Technology on economically favourable terms. While the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors".

The Corporation has no specific policies or procedures for updating forward-looking information. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Corporation does not intend, and undertakes no obligation to update any forward looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking statements.

#### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Heighington Law, counsel for the Corporation, provided that the Common Shares are listed on a designated stock exchange (which includes the CSE) at a particular time and subject to the provisions of any particular plan, the Common Shares offered hereby will, at that time, be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereto in effect on the date hereof for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), deferred profit sharing plans ("**DPSP**"), registered education savings plans ("**RESP**"), registered disability savings plans ("**RDSP**") and tax-free savings accounts ("**TFSA**") as defined in the Tax Act (a RRSP, RRIF, RESP, RDSP, and TFSA are collectively referred to herein as the "**Plans**").

The Common Shares are not currently listed on a "designated stock exchange". The Corporation has applied to list the Common Shares on the CSE, however, the Common Shares may not be unconditionally listed on a "designated stock exchange" on the Closing Date. However, the Corporation intends to make an election, pursuant to the Tax Act, to be a "public corporation" on the same day of, but after, the closing of the Offering (the "**Election**"). The Corporation will make the Election on the reliance that the Canada Revenue Agency (the "**CRA**") will administratively accept that the Election, if validly made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations and duly filed, will render the Common Shares issued on the Closing Date to be "qualified investments" for the Plans and a DPSP at the time of issuance (the "**Corporation's Reliance**"). If the Corporation's Reliance is incorrect or the Election is not accepted as being validly filed or made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations, the Common Shares will not be "qualified investments" for a Plan or a DPSP at the time of issuance.

Notwithstanding that the Common Shares may, at a particular time, be qualified investments for a trust governed by a Plan, an annuitant or holder of the Corporation's Common Shares will be subject to a penalty tax if the Common Shares held in the Plan are a "prohibited investment" under the Tax Act. The Common Shares generally will not be a "prohibited investment" unless the annuitant or holder of the Plan does not deal at arm's length with the Corporation, or the annuitant or holder has a "significant interest" (within the meaning of the Tax Act) in the Corporation, or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act. Annuitants and holders should consult their own tax advisors as to whether the Common Shares will be a "prohibited investment" in their particular circumstances.

## GLOSSARY

"**ACMPR**" means Access to Cannabis for Medical Purposes Regulations as regulated under the *Controlled Drugs and Substances Act* (Canada).

"**Agency Agreement**" means the agency agreement dated •, 2018 between the Agent and the Corporation.

"**Agent**" means Emerging Equities Inc.

"**Agent's Commission**" has the meaning ascribed to it on the face page of this Prospectus and under the heading "Plan of Distribution".

"**Agent's Option**" means the option granted to the Agent to purchase up to an additional 750,000 Common Shares within seven (7) days of the Closing Date.

"**Agent's Warrants**" means the share purchase warrants granted to the Agent as described on the face page of this Prospectus and under the heading "Plan of Distribution".

"**Assignment Agreement**" means the Assignment and Assumption Agreement dated February 2, 2018 made between the Corporation, InPlanta Biotechnology Inc. and SHM Grow Corp. with respect to the assignment to the Corporation of all right, title and interest in the LOI.

"**Audit Committee**" means a committee established by and among the Board of the Corporation for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation.

"**Board**" means the Corporation's board of directors.

"**Cannabis Act**" means the proposed Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, which was introduced to Canadian Parliament in 2017 and, when combined with the proposed Bill C-46, *An Act to Amend the Criminal Code*, would provide a framework for the legalization of recreational cannabis in Canada.

"**CBD**" means cannabidiol.

"**Closing Date**" means such date that the Corporation and the Agent mutually determine to close the sale of the Common Shares of the Corporation offered pursuant to this Prospectus, in compliance with the regulatory requirements governing distribution of securities.

"**Common Share**" means a common share without par value in the capital of the Corporation.

"**Corporation**" means Asia Cannabis Corp.

"**Corporate Finance Fee**" has the meaning ascribed to it on the face page of this Prospectus.

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

"**Escrow Agent**" means TSX Trust Company.

"**Escrow Agreement**" means the escrow agreement dated April 25, 2018 among the Corporation, the Escrow Agent and certain shareholders of the Corporation.

"**Escrow Policy**" has the meaning ascribed to it in the "Escrowed Shares" section of this Prospectus.

"**Escrowed Securities**" has the meaning ascribed to it in the "Escrowed Shares" section of this Prospectus.

"**InPlanta**" means InPlanta Biotechnology Inc. an Alberta Corporation with an office in the City of Lethbridge, in the Province of Alberta.

"**Listing Date**" means the date the Common Shares commence trading on the CSE.



"**License Agreement**" means the agreement dated March 7, 2018 between the Corporation and InPlanta wherein InPlanta granted the Corporation the exclusive license to use the Technology developed by InPlanta for use in the cannabis and hemp industry in the entirety of Asia, including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippine's.

"**LOI**" means the letter of intent between InPlanta and SHM Grow Corp. dated December 27, 2017 in connection with the proposed license agreement regarding the proposed grant of a license to SHM Grow Corp. of certain rights in intellectual property related to harvesting and producing industrial hemp.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**Offering**" has the meaning ascribed to it on the face page of this Prospectus.

"**Offering Price**" means has the meaning ascribed to it on the face page of this Prospectus, being \$0.25 per Common Share.

"**Principals**" means all persons or companies that, on the completion of the Offering, fall into one of the following categories:

- (i) directors and senior officers of the Corporation, as listed in this Prospectus;
- (ii) promoters of the Corporation during the two years preceding this Offering;
- (iii) those who own and/or control more than 10% of the Corporation's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation;
- (iv) those who own and/or control more than 20% of the Corporation's voting securities immediately after completion of this Offering; and
- (v) associates and affiliates of any of the above;

being, in the case of the Corporation, Johannes J. Kingma, Vincent E. Ghazar, David E. T. Pinkman and Igor Kovalchuk.

"**Prospectus**" has the meaning ascribed to it on the face page of this Prospectus.

"**Qualified Compensation Securities**" has the meaning ascribed to it on the face page of this Prospectus.

"**Selling Jurisdictions**" means the provinces of Alberta, British Columbia, and Ontario.

"**Stock Option Agreements**" mean the stock option agreements dated for reference March 1, 2018 between the Corporation and certain directors and officers of the Corporation.

"**Stock Option Plan**" means a stock option plan dated February 20, 2018 providing for the granting of incentive stock options to the Corporation's directors, officers, employees and consultants in accordance with the policies of the CSE.

"**Strategic Advisory Service Fee**" means the issuance by the Corporation of 1,120,000 Common Shares at a deemed price of \$0.02 per Common Share in exchange for the strategic advisory and consulting services provided by the Agent to the Corporation up until the Closing Date.

"**Technology**" means the proprietary organic hybridization technology and related intellectual property related to the planting, growth and harvesting of new and valuable hemp strains and related crops in commercial quantities developed by InPlanta in partnership with the University of Lethbridge.

"**U.S.**" and "**United States**" means the United States of America.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Prospective purchasers should read the entire Prospectus, including "Risk Factors", before making an investment decision with regard to the Common Shares.*

### The Corporation

The Corporation is an early stage international agri-technology company which has begun the process of creating a business focused on the development, evaluation, testing, application and, ultimately, supply to the market of proprietary organic hybridization technology and certain products derived from that technology. The core approach of the business will be centred on the planting, growth and harvesting of new and valuable strains of hemp and related crops in commercial quantities under the terms of the License Agreement. Pursuant to the terms of the License Agreement, the Corporation has secured the exclusive rights to use the Technology developed by InPlanta in the cannabis and hemp industries in Asia, an area that includes India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippines.

The Corporation has recognized the burgeoning worldwide trend on both social and business levels toward cannabis legalization which could result in significant increase in the demand for the Technology. Specifically, in conjunction with InPlanta as provided under the License Agreement, the Corporation plans to develop several varieties of hemp and, where legalized to do so, cannabis with superior growth and production characteristics in the various environments found in each of the territories granted. With the data and associated knowledge gained from these activities, the Corporation intends to leverage the Technology to develop a portfolio of strategic cannabis and hemp products to take advantage of both the changing social climate relative to hemp and cannabis use and the historic acceptance of the use of these products and their derivatives in certain of the jurisdictions granted under the License Agreement.

See "Narrative Description of the Business".

### Management, Directors & Officers

- Johannes J. Kingma: *President, Chief Executive Officer, Corporate Secretary, Director and Promoter*
- Vincent E. Ghazar: *Chief Financial Officer and Director*
- David E. T. Pinkman: *Director*
- Igor Kovalchuk: *Director*

See "Directors and Officers".

### The Offering

#### *Offering*

5,000,000 Common Shares at a price of \$0.25 per Share.

#### *Additional Distribution*

The Corporation is also qualifying the distribution of the Agent's Warrants to the extent the same are Qualified Compensation Securities. See "Plan of Distribution".

### Use of Proceeds

If all the Common Shares offered pursuant to this Offering are sold, the net proceeds to the Corporation will be \$1,150,000, plus the sum of \$560,000 representing the Corporation's working capital surplus estimated as at April 30, 2018, for an aggregate of \$1,710,000, which funds are intended to be spent by the Corporation, in order of priority, as follows:

	<b>Funds to be Used</b>
(a) To pay the estimated costs of this Offering (including legal, audit, printing expenses and corporate finance fee to the Agent)	\$125,000
(b) To pay the estimated cost of testing, validating, and establishing trial crops of certain seed varieties represented by the Technology	\$1,316,000
(c) To provide funding sufficient to meet administrative costs for 12 months	\$144,000
(d) To provide unallocated working capital	\$125,000
<b>TOTAL:</b>	<b>\$1,710,000</b>

The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. An additional \$187,500 will be available to the Corporation if the Agent's Option is exercised in full. See "Use of Proceeds".

## **Risk Factors**

An investment in the Common Shares of the Corporation should be considered highly speculative and investors may incur a loss on their investment. The Corporation has no history of earnings and there is no certainty that the Technology will ever generate any revenue for the Corporation. The Corporation and its assets may become subject to uninsurable risks. The Corporation's activities may require permits or licenses which may not be granted to the Corporation. If the current trend towards legalization of non-medical cannabis fails to become legislation in Canada and other countries, then the demand for the Technology may decrease.

Possessing and selling cannabis for non-medical purposes is still illegal everywhere in Canada. As of the date of this Prospectus cannabis is classified as a Schedule II illegal drug in Canada under the Controlled Drugs and Substances Act, unless otherwise regulated for production and distribution for medical purposes under the current ACMPR. If Bill C-45, which was introduced by the Government of Canada in the House of Common on April 13, 2017, is not enacted into the Cannabis Act, then demand for the Technology may decrease significantly.

The Corporation has not yet applied for or received an ACMPR license to cultivate and produce marijuana and there is no guarantee that it will apply or receive such a license. Health Canada has received many applications and only a small fraction have been approved to date. The Corporation's ability to grow, store and sell medical marijuana in Canada is dependent on receiving an ACMPR license and from Health Canada and there can be no assurance that the Corporation will obtain such a license.

The Corporation operates in a new industry which is highly regulated and is in a market that is very competitive and evolving rapidly. Failure to comply with the requirements of these regulations or any failure to maintain the required regulatory licenses and permits would have a material adverse impact on the business, financial condition and operating results of the Corporation. The Corporation will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions being placed on the Corporation's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Corporation.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any of the Corporation's products may be affected by numerous factors that are beyond the Corporation's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Corporation's earnings and could make future capital investments or the Corporation's operations uneconomical. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The net proceeds from the Offering will not be sufficient to meet the cash requirements needed for the Corporation to fully execute its current business strategy. As such, the Corporation will have to continue to rely upon additional equity and debt financing and there can be no assurance that financing, whether debt or equity, will be available to the Corporation in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Corporation.

The Corporation's proposed operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of medical marijuana but also including laws and regulations relating to drug, controlled substances, health and safety, the conduct of operations and the protection of the environment. To the knowledge of management of the Corporation, other than routine corrections that may be required by Health Canada from time to time, the Corporation is currently in compliance with all such laws. Changes to such laws, regulations and guidelines due to matters beyond the control of the Corporation may cause adverse effects to its operations.

The Corporation is subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. In addition, the Corporation competes with other companies with greater operational, financial and technical facilities and, while the Corporation believes in its current business strategy, there is no guarantee that it will be able to successfully compete with such companies.

The Corporation is currently largely dependent on the performance of its directors and there is no assurance the Corporation can maintain their services. See "Risk Factors".

### Summary of Financial Information

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation and notes thereto appearing elsewhere in the Prospectus. The selected financial information is derived from the audited financial statements for the period from incorporation on December 19, 2017 to February 28, 2018. The Corporation has established December 31 as its financial year end. See "Selected Financial Information and Management Discussion and Analysis".

	<b>Period from incorporation on December 17, 2017 to February 28, 2018 (audited)</b>
Total revenues	Nil
Expenses	\$12,490
Net Loss	Nil
Basic and diluted loss per common share	Nil
Total assets	\$641,141
Current liabilities	\$18,130
Cash dividends per share	Nil

### Currency

Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

## **CORPORATE STRUCTURE**

Asia Cannabis Corp. was incorporated pursuant to the *Business Corporations Act* (Alberta) on December 19, 2017. The Corporation amended its Articles of Incorporation on May 3, 2018 to remove certain restriction applicable to private issuers.

The Corporation's head office is located at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4 and the registered office is located at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4.

The Corporation has no subsidiaries.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **Business of the Corporation**

The Corporation is an early stage international agri-technology company which has begun the process of creating a business focused on the development, evaluation, testing, application and, ultimately, supply to the market of proprietary organic hybridization technology and certain products derived from that technology. The core approach of the business will be centred on the planting, growth and harvesting of new and valuable strains of hemp and related crops in commercial quantities under the terms of the License Agreement. Pursuant to the terms of the License Agreement, the Corporation has secured the exclusive rights to use the Technology developed by InPlanta in the cannabis and hemp industries in Asia, an area that is defined in the agreement as including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippines.

The Corporation has recognized that the burgeoning worldwide trend on both social and business levels toward cannabis legalization could result in significant increase in the demand for the Technology. Specifically, in conjunction with InPlanta as provided under the Licence Agreement, the Corporation plans to develop varieties of hemp—and, where possible, cannabis—with superior growth and production characteristics in the various environments found in each of the territories granted. With the data and associated knowledge gained from these activities, the Corporation intends to leverage the Technology to develop a portfolio of strategic hemp and cannabis investments to take advantage of both the changing social climate relative to hemp and cannabis use and the historic acceptance of the use of these products and their derivatives in certain of the jurisdictions granted under the License Agreement.

In consultation with InPlanta, management has determined that the initial focus of the business shall be in the country of Cambodia, a small South-East Asian country located in a tropical belt near the equator. Cambodia features a variety of elements conducive to the commencement of hemp and cannabis production, including but not limited to positive climatic conditions for the strong growth of hemp and cannabis plants, political and social acceptance of hemp and cannabis products, existing agricultural and processing infrastructure related to commercial hemp production and sale, and, as a developing nation, positive taxation and export policies aimed at attracting new business enterprise.

See "Narrative Description of the Business".

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

As at the date hereof, the Corporation has not had any active business operations other than entering into the License Agreement, completing a private placement for gross proceeds of \$600,000, and commencing a broad area analysis study to determine which of the countries forming the territory under the License Agreement should be prioritized for initial deployment of the hemp and cannabis varieties to which access has been granted under that agreement.

By entering into the License Agreement, the Corporation has gained significant exposure to and the ability to participate in a number of aspects of the cannabis and hemp industry through the provision of horticultural, scientific, genealogical and related advice, data and services. Management of the Corporation will also seek to source exclusive relationships established by the provision of and transfer of that intellectual property to other industry partners as may exist in South East Asia. The Corporation will utilize well-characterized hemp strains developed by InPlanta and, with the assistance of InPlanta, either integrate this material into strains grown in the licensed territories or arrange for its direct introduction into the growing environments of those locales. It is the Corporation's business plan to use the Technology to develop specialized genetic varieties of hemp and cannabis plants which will, initially, produce superior agricultural products relative to any specific region in the licensed territory and, secondly, to focus attention on those strains which offer potential for development of new products with applications in a broad range of areas. The range of product applications contemplated includes a number of core strains which have been the focus of the work hitherto undertaken by InPlanta personnel. These strains have been engineered to provide a discernable benefit around the food, fuel, fibre and foundation pillars of the hemp industry as presently exist in the licensed region and will be used to support and stimulate local hemp industry accordingly.

Management has determined that the initial focus of the business shall be in the country of Cambodia, a small South-East Asian country located in a tropical belt near the equator. Certain members of the Board have extensive business experience in Cambodia and are therefore familiar with the cultural, geo-political and climatic factors likely to be encountered while operating in that country. In consultation with InPlanta, initial assessments have determined that Cambodia features a variety of elements conducive to the commencement of viable, if not strong, hemp and cannabis production utilizing certain of the genetic strains already available to the Corporation under the License Agreement. In particular, the positive conditions found in Cambodia which deemed it a strong embarkation point for the application of the Technology include, but are not limited to, positive climatic conditions for the strong growth of hemp and cannabis plants, political and social acceptance of hemp and cannabis products, existing agricultural and processing infrastructure related to commercial hemp production and sale, and, as a developing nation, positive taxation and export policies aimed at attracting new business enterprise. This region is particularly suited to the production of these plant types and the developmental potential of the InPlanta technologies offers significant opportunity for meaningful expansion of that agricultural segment in the region.

### **Hemp Production as an Industry**

While hemp and marijuana are both varieties of cannabis sativa, one of the three main subtypes of the cannabis plant, they are different in a number of ways. Hemp contains negligible amounts of tetrahydrocannabinol (THC) and also contains more CBD, a non-intoxicating compound with medical applications, than marijuana. Hemp was selectively bred for a range of consumer and industrial uses and has been grown in Asia for centuries. The fibres from the stalk can be used to make rope, clothes and other textiles, and as an organic construction material. The seeds are also edible and provide the source ingredients for a wide variety of medicinal products. Unlike marijuana, hemp is relatively easy to grow outdoors in a range of climates. Hemp stalks can grow up to four meters tall, without needing pesticides, and are generally much skinnier and taller than marijuana plants. The biological robustness of hemp plants coupled with the broad range of applications developed for its products and by-products over years of use in the Asia make it a viable choice as a focus for new business development, particularly in an environment where de-regulation of marijuana has taken hold and the negative stigmas associated with both hemp and marijuana are being eliminated.

It is anticipated that the Corporation's business development in Cambodia will track a similar course to that seen in the legalization of cannabis in the Americas and Europe. In addition, the potential medical benefits provided by hemp and marijuana are leading to the de-stigmatization of the product in the United States, Canada and certain European nations. It is reasonable to anticipate that this wave of acceptance will continue to grow and present significant opportunities in South East Asia as well, a region much more accustomed to non-traditional medical practices and where herbs, hemp and their many derivatives play significant current and historical roles in both the practice of medicine and various other conventional industries. Moreover, the experience had in western jurisdictions relative to the de-regulation and legalization of marijuana offers valuable precedents for the advancement of the Corporation's business strategy in Asia. The Corporation intends to exploit this experience as it moves forward.

### **Cambodia/Asian Market**

The Corporation has, with the assistance of InPlanta, evaluated Asian market data and established viable strategies to execute its business model with a starting point in Cambodia. While varying Asian influences such as tastes, culture, and geographical factors will present challenges to the Corporation's growth, the Corporation's early-entry status will serve as an advantage which will allow it to seek strategic partnerships with consumer product producers in Asia. The potential for future expansion and development in Cambodia and surrounding areas is and is expected to grow once the Corporation has established operations in Cambodia. While Cambodian law still classifies marijuana cultivation as illegal, the Cambodian government has historically allowed small-scale farmers to grow the plant for personal, medicinal and nutritional consumption. More recently, momentum has been building in Cambodia to create a profitable new farming industry—by facilitating the legal export of a traditional Cambodian crop: cannabis—as a result of the international community's growing acceptance of cannabis as a legal product as evidenced by the growing number of U.S. states that have legalized or decriminalized marijuana. Currently, 29 U.S. states have legalized medical marijuana, while a further 22 U.S. states having legalized or decriminalized the recreational use of cannabis. In country presence and the relationship with InPlanta is anticipated to provide the Corporation the opportunity to take advantage of the legalization of marijuana in Cambodia, when and if it occurs.

**While the Corporation expects that marijuana will be legalized in Cambodia, prospective purchasers should be aware that no legal market for marijuana currently exists in Cambodia and there is no guarantee that such market will become legal or develop in the future.**

The Corporation has determined that the market potential of the South East Asian region is significant for a variety of products on a variety of levels, including but not limited to:

- CBD sales in bulk liquid, gels, pills, foods, tinctures and beverages;
- infused food products and beverages;
- integration of traditional health and consumer products into legalized medical formats;
- integrating new and traditional extract production with existing distribution channels and complimentary product lines;
- adapting traditional fibre production to new strains and developing new primary and secondary markets for fibre;
- processing of waste product into fuel pellets to reduce local deforestation; and
- identifying uses for waste products in shelter construction.

In order to execute the Corporation's business plan, it intends to apply to the appropriate institutions and regulatory authorities in Cambodia for research accreditation and permits to support and permit importation of Canadian developed hemp strains specifically tailored to meet international standards for CBD import/export markets and to address the product varieties and uses therefore outlined above. In concert therewith, the Corporation will seek alliances with local partners to affect the introduction of seed and/or genetic material to allow cross-pollination of identified strains with demonstrated economically viable traits. With strong genetic strains identified, the Corporation will then move to expand and encourage integration of hemp farming into the local and regional economy in a responsible manner, approaching growth and expectations of the local community in a reasonable way as dictated by demand. In this context, the Corporation will seek to identify and establish partnerships with local industry players including those with production, processing and distribution capabilities.

The Corporation intends to become a participant in all facets of a revised and revitalized segment of a significant hemp agricultural industry in the region, the Corporation anticipates that it will have the opportunity to source revenue from each level of that participation. In particular, the Corporation intends to develop novel and adaptable strains of hemp to be used for production of hemp hearts, hemp seed oil, CBD oil and hemp fibre for local and international markets.

### **Canadian Market**

In concert with InPlanta, management of the Corporation intends to vigorously pursue the development and advancement of the practical genetic research opportunities afforded to it under the terms of the License Agreement. In particular, the potential for establishing viable new strains of hemp and marijuana products is substantial, and, given the positive growing and infrastructure conditions found in Cambodia, the Corporation's internally projected market space, management believes the likelihood of developing and confirming the potential of new strains for re-export to Canada and other Western markets is viable and offers potential for a new and additional revenue source.

The market potential for hemp production and sale is already significant in Canada, where hemp production currently outpaces that of the United States and where changing regulations may provide further and new market potential for food and fibre related CBD products. As a by-product of the liberalization of marijuana production and consumption laws in Canada, Canadian producers are anticipating that the government will soon expand how the nation's 140,000 acres of hemp can be used.

Currently, Canadian hemp can be used only for seed and fibre, with leaves and flowers unusable for CBD extraction without a special license from Health Canada. Only a handful of those exceptions are thought to exist, though numbers are not publicly available. Because only trace amounts of cannabidiol are found in hemp stalks and seeds, much of the value of Canada's hemp crop is currently not being commercialized.

### **Possible Change in the Law**

As a result of the expected enactment of the Cannabis Act in the fall of 2018, efforts of the Canadian Hemp Trade Alliance, and the World Health Organization review of hemp, industry participants expect Canada's Parliament to amend the country's 1998 hemp law to allow more companies to extract CBD from leaves and flower. The change would come by Parliament removing hemp-derived CBD from the list of controlled substances, an action that could happen separately from expected regulations authorizing recreational cannabis.

The expected change is leading companies to anticipate that the revised hemp regulations could allow Canada to dominate the CBD market just as it dominates the market for industrial hemp. Canada is believed to be the world's second largest hemp producer behind China, though published global acreage estimates may be unreliable.

Management of the Corporation believes the Technology will provide the company with an early competitive advantage over other companies competing in the CBD production industry and will allow the Corporation to identify and create specialized strains of hemp plants aimed at both increasing viability of hemp extraction as well as isolating particular traits beneficial to end users of the hemp products.

## **US Market Disclosure Statement Re. Canadian Securities Administrators Notice 51-352 - Issuers with U.S. Marijuana-Related Activities**

Although management of the Corporation has no current intention of operating in the U.S., the Corporation could be indirectly involved in the U.S. marijuana industry in that the Technology could be used by U.S. citizens without the knowledge of the Corporation. Marijuana remains illegal under U.S. federal law and the approach to enforcement of U.S. federal laws against marijuana is subject to change.

The Corporation's marijuana-related activities (i.e., utilizing the Technology, which could be used enhance growth rates and yields for medical use in the cannabis and hemp industries) target the medical segment of the overall medical marijuana market. Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale, and possession of medical cannabis under the ACMPR, investors are cautioned that in the United States, cannabis is largely regulated at the state level. It should be noted that in spite of the permissive regulatory environment of medical cannabis in many individual states within the United States, cannabis continues to be categorized as a controlled substance under the US federal Controlled Substances Act and as such, violates federal law in the United States. The United States Congress has passed appropriation bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills in order to prevent the federal government from prosecuting individuals when those parties comply with state law. However, as engaging in the recreational marijuana market continues to violate federal law, American courts have observed that should Congress, at any time, choose to appropriate funds to fully prosecute the Controlled Substances Act, any individual or business, even those who have fully complied with state law, could be prosecuted for violations of federal law. Violations of federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, and/or divestiture. The Corporation is not aware of any non-compliance with U.S. federal law; however, if the Corporation was found to be non-compliant, this could have a material adverse effect on the Corporation, including on its reputation and ability to conduct its business, its financial position, its operating results, its profitability or liquidity or the market price of the Common Shares. In addition, it is difficult for the Corporation to estimate the time or resources that would be needed for the investigation of such matters or its final resolution should the Corporation come under investigation.

The Corporation may in the future plan to sell the Technology into the US and these sales will be subject to US federal and state laws. Given the illegality of marijuana under U.S. federal law the Corporation's access to capital could be negatively affected by public and/or private capital not being available to support continuing operations in the U.S. At present, management believes that both private and public capital is available to the Corporation on terms acceptable to the Corporation, but management also understands that this capital availability could change without notice, requiring the Corporation to operate solely on internally-generated funds. In the event that the Corporation has insufficient internally-generated funds the Corporation could become insolvent and investors could lose all of their investment in the Corporation. Management is not currently aware of any specific U.S. federal or state initiatives that would lessen the Corporation's "capital access". See "Risk Factors".

### **Trends**

There are no current trends in the Corporation's business that are likely to impact the Corporation's performance other than government regulations affecting the cannabis and hemp industries, which are detailed herein. Management of the Corporation believes that if Bill C-45, introduced by the Government of Canada in the House of Commons on April 13, 2017, is enacted into the Cannabis Act, as expected in the summer of 2018, then demand for the Technology may increase significantly in Canada.

### **Business Objectives and Milestones the Corporation Expects to Achieve Using the Available Funds**

The business objectives the Corporation expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Common Shares on the CSE; and (iii) complete the initial deployment of the Technology for the purpose of testing, validating, and establishing various hemp strains for commercialization.

The Corporation's business objectives of completing the Offering and listing on the CSE will occur on the Closing Date and the Listing Date respectively. The cost of covering administrative costs for the first 12 months following listing is estimated at \$144,000. The Corporation's business objective of completing the initial deployment of the Technology for the purpose of testing, validating, and establishing various hemp strains for commercialization is currently expected to occur over the course of approximately 12 months following the Closing Date and will cost approximately \$1,316,000.



## USE OF PROCEEDS

### Proceeds

THE OFFERING HEREUNDER IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 5,000,000 SHARES (\$1,250,000). IN THE EVENT SUCH SUBSCRIPTIONS ARE NOT ATTAINED WITHIN 90 DAYS OF THE ISSUANCE OF THE FINAL RECEIPT FOR THIS PROSPECTUS OR, IF AN AMENDMENT TO THE FINAL PROSPECTUS HAS BEEN FILED AND A RECEIPT HAS BEEN ISSUED FOR SUCH AMENDMENT, WITHIN 90 DAYS OF THE ISSUANCE OF A RECEIPT FOR AN AMENDMENT TO THE FINAL PROSPECTUS AND, IN ANY EVENT, NOT LATER THAN 180 DAYS AFTER THE ISSUANCE OF A RECEIPT FOR THE FINAL PROSPECTUS, ALL FUNDS RAISED HEREUNDER WILL BE RETAINED BY THE AGENT AND REFUNDED TO INVESTORS WITHOUT INTEREST OR DEDUCTION.

### Funds Available

If all the Common Shares offered pursuant to this Offering are sold, the net proceeds to the Corporation will be \$1,150,000. In addition, the Corporation's working capital surplus estimated to be \$560,000 as at April 30, 2018 which combined with the net proceeds that will be raised from the Offering, aggregate \$1,710,000 in available capital. An additional \$187,500 will be available to the Corporation if the Agent's Option is exercised in full.

### Principal Purposes

The aggregate proceeds from the Offering will be used to fund, in order of priority, the Corporation's estimated business expenses during the 12 months following the Offering, which the Corporation has budgeted for as follows:

	<b>Funds to be Used</b>
The estimated costs of this Offering (including legal, audit, printing expenses and the Corporate Finance Fee)	\$125,000
The estimated cost of testing, validating, and establishing trial crops of certain seed varieties represented by the Technology.	\$1,316,000
To fund the Corporation's budgeted general and administrative costs for the 12 months following the Offering	\$144,000
Unallocated working capital.	\$125,000
<b>TOTAL:</b>	<b>\$1,710,000</b>

Upon completion of the Offering, the working capital available to fund the Corporation's ongoing operations will be sufficient to meet all budgeted administrative costs and exploration expenditures for 12 months following the Offering.

Estimated administrative expenditures for the 12 months following the Offering are comprised of the following:

Rent and corporate secretarial services.	\$12,000
Management and administration service.	\$102,000 <sup>(1)</sup>
Miscellaneous office and supplies.	\$1,200
Transfer agent fees.	\$6,000
Legal fees.	\$12,000
Accounting and audit fees.	\$10,800
<b>TOTAL:</b>	<b>\$144,000</b>

- (1) To be allocated between the Chief Executive Officer and the Chief Financial Officer based on the total hours of service rendered to the Corporation.

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Unless otherwise deemed advantageous and approved by the Board, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Corporation's Chief Financial Officer will be responsible for the investment of all unallocated funds.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

### Annual Information

The following table sets forth summary financial information of the Corporation for the financial period from incorporation on December 19, 2017 to February 28, 2018. This summary financial information should only be read in conjunction with the Corporation's audited financial statements, including the notes thereto, included elsewhere in this Prospectus.

	Period from incorporation (December 19, 2017) to February 28, 2018 (audited)
Total revenues	Nil
Expenses	\$12,490
Net Loss	\$12,490
Basic and diluted loss per common share	Nil
Total assets	\$641,141
Current liabilities	\$18,130
Cash dividends per share	Nil

### Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

### Management's Discussion and Analysis

This discussion is of the audited financial statements of the Corporation for the period from incorporation on December 19, 2017 to February 28, 2018. The financial statements are included in this Prospectus and should be referred to when reading this discussion. The financial statements summarize the financial impact of the Corporation's financings, investments and operations.

#### *Financial Period Ended February 28, 2018*

During the financial period ended February 28, 2018, the Corporation reported nil revenue and a net loss of \$12,490. The Corporation incurred \$12,490 for general and administrative expenses, which consisted of legal and audit fees incurred during the financial period.

During the financial period ended February 28, 2018, the Corporation received gross proceeds of \$600,001 in exchange for the issuance of 29,200,100 Common Shares (with 100 of that amount issued upon incorporation at a nominal price). An additional 2,000,000 Common Shares were issued on February 23, 2018 pursuant to the terms of the Assignment Agreement at a deemed issue price of \$0.02 per Common Share.

During the first year following completion of this Offering, the Corporation's estimated aggregate monthly administrative costs will be approximately \$12,000 for a total aggregate annual cost of approximately \$144,000. See "Use of Proceeds". The net proceeds from this Offering should be sufficient to fund the Corporation's operations for a period of 12 months following the Offering. There are no other capital expenditures to be incurred by the Corporation during this period.

As of February 28, 2018, the Corporation had a working capital surplus of approximately \$583,000 (\$560,000 as of April 30, 2018, being the most recent month end prior to the date of this Prospectus). The Corporation expects to incur losses for the 12 months following the Offering and there can be no assurance that the Corporation will ever make a profit. To achieve profitability, the Corporation must advance the Technology to the stage where it can be applied to the commercial production of hemp. The Corporation'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 Corporation 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 Corporation were unable to achieve and maintain profitable operations.

### ***Outstanding Securities***

The Corporation has one class of voting securities consisting of Common Shares without par value. As of the date of this Prospectus, the Corporation has 31,200,100 Common Shares issued and outstanding and has no securities convertible into, or exercisable or exchangeable for, Common Shares except for 3,120,010 stock options to purchase Common Shares granted to the directors and officers of the Corporation, exercisable until March 1, 2023 at a price of \$0.25 per Common Share. See "Options to Purchase Securities – Stock Option Plan".

### ***Financial Condition / Liquidity / Capital Resources***

The proceeds received from the sale of Common Shares to date total \$600,001. There are 3,120,010 stock options issued and outstanding which were granted to the current directors and officers and are exercisable at \$0.25 per share on or before March 1, 2023.

The Corporation has no outstanding commitments. The Corporation has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Corporation has sufficient working capital at this time to meet its ongoing financial obligations, but there can be no assurance that this belief is accurate or that circumstances will not arise that will impair the Corporation's ability to meet its financial obligations. See "Risk Factors".

### ***Off-Balance Sheet Arrangements***

The Corporation has not entered into any off-balance sheet arrangements.

### ***Related Party Transactions***

The Corporation has not entered into any related party transactions.

### ***Initial Adoption of Accounting Policies***

The Corporation was incorporated on December 19, 2017 and is an early stage international cannabis company focused on the business of providing proprietary organic hybridization technology to the planting, growth and harvesting of new and valuable hemp strains and related crops in commercial quantities under the terms of the License Agreement.

Detailed disclosure of the Corporation's significant accounting policies is included in Note 4 to the audited financial statements included in and forming part of this Prospectus.

### ***Other MD&A Requirements***

#### ***Additional Disclosure for Venture Issuers without Significant Revenue***

The components of acquisition costs are described in the financial statements of the Corporation included in this Prospectus. The details of general and administrative expenses are included in the consolidated statement of loss, comprehensive loss and deficit in the financial statements of the Corporation.

During the financial period ended February 28, 2018, the Corporation reported nil revenue and a net loss of \$12,490. The Corporation incurred \$12,490 for general and administrative expenses, which consisted of legal and audit fees incurred during the financial period. In addition, the Corporation recorded \$40,000 as a deposit on the technology acquired under the License Agreement.

No deferred development costs or research and development costs have been incurred to date.

In connection with the closing of the private placements described in note 6(b) of the financial statements, the Corporation incurred \$4,500 in share issuance costs.

#### ***Disclosure of Outstanding Security Data***

As at the date of this Prospectus, the Corporation has one class of share capital, being the Common Shares, of which 31,200,100 Common Shares are currently issued and outstanding.

### *Additional Disclosure for Junior Issuers*

The proceeds raised under this Prospectus are expected to fund the operations of the Corporation for the 12 months following the Offering. See "Use of Proceeds - Principal Purposes" for detailed information concerning the general and administration expenses for the 12-month period following the completion of the Offering. The estimated total operating costs necessary for the Corporation to achieve its stated business objectives during the 12 month period subsequent to the completion of the Offering is anticipated to be approximately \$1,316,000.

## **DESCRIPTION OF SECURITIES DISTRIBUTED**

This Prospectus qualifies the distribution of a minimum of 5,000,000 Common Shares. The Corporation will also grant the non-transferable Agent's Warrants to the Agent, which entitles the Agent to purchase that number of Common Shares equal to 8% of the number of Common Shares sold pursuant to the Offering. The number of Agent's Warrants may be reduced to 5% with respect to certain subscriptions listed on a "President's List" to be agreed to between the Corporation and the Agent.

### **Authorized and Issued Share Capital**

The authorized share capital of the Corporation consists of unlimited common shares without par value and unlimited preferred shares. As of the date of this Prospectus, 31,200,100 Common Shares were issued and outstanding as fully paid and non-assessable shares.

### **Common Shares**

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 Corporation and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, 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 Corporation, the remaining property and assets of the Corporation.

### **Preferred Shares**

The Corporation is also authorized to issue an unlimited number of preferred shares without nominal or par value, of which, as at the date hereof, none have been issued. The preferred shares of the Corporation may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares of the Corporation rank on a parity with the preferred shares of every other series and are entitled to a priority over the Common Shares, and any other class of shares ranking junior to the preferred shares of the Corporation with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

### **Agent's Warrants**

Each Agent's Warrant will be non-transferable and will entitle the warrant holder to purchase one Common Share at a price of \$0.25 per Common Share for a period of two (2) years from the Listing Date. The Agent's Warrants may be surrendered for exercise, transfer or exchange at the offices of the Corporation. The Agent's Warrants may be exercised upon surrender of the certificates representing the Agent's Warrants on or before the Listing Date to the Corporation along with the completed and executed notice of Agent's Warrant exercise form and accompanied by payment of the exercise price for the number of Common Shares for which the Agent's Warrants are being exercised.

## CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Corporation's capitalization since February 28, 2018 and after giving effect to this Offering.

Description	Authorized February 28, 2018	Outstanding as at February 28, 2018 (Audited)	Outstanding at the date of this Prospectus (Unaudited)	Outstanding after giving effect to this Offering (Unaudited) <sup>(1)(2)</sup>
Common Shares	Unlimited	31,200,100 (\$635,501)	31,200,100 <sup>(3)</sup> (\$635,501)	36,200,100 (\$1,885,501) <sup>(4)</sup>
Long Term Debt	Nil	Nil	Nil	Nil

- (1) As partial consideration for the sale of Common Shares pursuant to this Prospectus the Corporation has agreed to grant the Agent non-transferable Agent's Warrants entitling the Agent to purchase up to that amount of Common Shares as is equal to 8% of the number of Common Shares sold pursuant to this Offering. The number of Agent's Warrants may be reduced to 5% with respect to certain subscriptions listed on a "President's List" to be agreed to between the Corporation and the Agent. The Agent's Warrants may be exercised at a price of \$0.25 per Common Share for a period of two (2) years from the Listing Date. This Prospectus qualifies the distribution of the Agent's Warrants to the Agent to the extent they are Qualified Compensation Securities. The Common Shares to be issued on exercise of the Corporation's stock options are not reflected in these figures.
- (2) The Agent has been issued 1,120,000 Common Shares as compensation for strategic advisory services provided to the Corporation prior to the Closing Date.
- (3) On an undiluted basis. Does not include any Common Shares issuable upon exercise of the Agent's Warrants, incentive stock options of the Corporation issued to directors and officers of the Corporation, or upon exercise of the Agent's Option. On a fully diluted basis the Corporation will have 40,470,110 Common Shares issued and outstanding.
- (4) Prior to giving effect to the cost of the Offering.

### Fully Diluted Share Capital

Common Shares	Number of Common Shares after giving effect to the Offering	Percentage
Issued and outstanding as at the date of this Prospectus	31,200,100	77.09%
Common Shares issued pursuant to the Offering	5,000,000	12.35%
Common Shares reserved for issuance on exercise of the Agent's Warrants	400,000	0.989%
Common Shares reserved for issuance on exercise of the Agent's Option	750,000	1.85%
Common Shares reserved for issuance on exercise of the stock options held by the directors and officers of the Corporation.	3,120,010	7.70%
<b>TOTAL:</b>	<b>40,470,100</b>	<b>100%</b>

Note: does not add up to due to rounding.

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

The Stock Option Plan was approved by the Corporation's shareholders and directors on February 28, 2018.

The purpose of the Stock Option Plan is to encourage ownership of the Common Shares by persons who are directors, senior officers and key employees of, as well as consultants, advisory board members and employees of management companies providing services to the Corporation. Management believes that the Stock Option Plan will advance the interests of the Corporation by providing incentive compensation to all eligible recipients through participation in the Corporation's growth and development.

The following summary is a brief description of the Stock Option Plan:

1. The maximum number of Common Shares that may be issued upon the exercise of the Corporation's stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, the Corporation or its subsidiaries, if any.
3. The option price of any Common Share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the board of directors but shall be not less than the minimum price permitted by the CSE.

4. The number of options granted to any one individual may not exceed 5% of the outstanding listed Common Shares in any 12 month period unless the Corporation has obtained disinterested shareholder approval to exceed such limit.
5. The number of options granted to any one consultant may not exceed 2% of the Corporation's outstanding listed Common Shares in any 12 month period.
6. All options granted under the Stock Option Plan may be exercisable for a maximum of ten years from the date they are granted.
7. If the optionee ceases to be (other than by reason of death) an eligible recipient of stock options, then the stock options granted shall expire on the 90th day following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.
8. If an optionee ceases to be an eligible recipient of stock options by reason of death, an optionee's heirs or administrators shall have until the earlier of: (a) one year from the death of the option holder; and (b) the expiry date of the stock options in which to exercise any portion of stock options outstanding at the time of death of the optionee.
9. The stock options shall expire on the 30<sup>th</sup> day after the optionee who is engaged in Investor Relations Activities for the Corporation ceases to be employed to provide Investor Relations Activities.
10. The stock options shall expire on the date on which the optionee ceases to be an eligible person by reason or termination of the optionee as an employee or consultant of the Corporation for cause (which, in the case of a consultant, includes any breach of an agreement between the Corporation and the consultant).
11. The Stock Option Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves.
12. The stock options are not assignable or transferable by an optionee.
13. The Board may, from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

As of the date of this Prospectus, stock options to purchase up to 3,120,010 Common Shares have been granted to the Corporation's directors, officers, employees, and consultants as set forth below, exercisable at \$0.25 per Common Share for a five year term, pursuant to the Stock Option Agreements.

Optionee	Number of Common Shares Optioned
Executive Officers (2; as a group)	600,000
Directors (2; excluding executive officers, as a group)	600,000
Employees and Consultants (4; as a group)	1,920,010
<b>TOTAL:</b>	<b>3,120,010</b>

#### PRIOR SALES

The following table summarizes the sales of securities of the Corporation prior to the date of this Prospectus.

Issue Date	Price Per Common Share	Number of Common Shares Issued	Net Proceeds to the Corporation
December 19, 2017	\$0.001	100 <sup>(1)</sup>	\$1.00
February 22, 2018	\$0.02	28,800,000 <sup>(2)</sup>	\$576,000
February 23, 2018	\$0.02	2,000,000 <sup>(3)</sup>	\$40,000 (deemed)
February 28, 2018	\$0.06	400,000 <sup>(4)</sup>	\$24,000
<b>TOTAL:</b>		<b>31,200,100</b>	<b>\$640,001</b>

(1) Issued at a nominal price on incorporation.

(2) Issued in connection with a private placement of 28,800,000 Common Shares at \$0.02 for aggregate proceeds of \$576,000.

(3) Issued to the founders of InPlanta pursuant to the terms of the Assignment Agreement.

(4) Issued in connection with a private placement of 400,000 Common Shares at \$0.06 for aggregate proceeds of \$24,000.

## ESCROWED SHARES

### Escrowed Securities

Under National Policy 46-201 "Escrow for Initial Public Offerings" (the "**Escrow Policy**"), securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned or controlled by the Principals of the Corporation are subject to the escrow requirements.

Pursuant to the Escrow Agreement, the Principals agreed to deposit in 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 receipt of notice from the CSE confirming the listing of the Corporation's Common Shares on the CSE. The remaining ninety (90%) percent of the Escrowed Securities will be released from escrow in fifteen percent (15%) tranches at six month intervals over a 36 month period following receipt of such notice.

The Corporation is an "emerging issuer" as defined in the Escrow Policy. If, within 18 months of the Listing Date, the Corporation meets the "established issuer" criteria (as defined in the Escrow Policy), that number of Escrowed Securities that would to that date have been eligible for release from escrow if the Corporation had been an "established issuer" on the Listing Date will be immediately released from escrow. After 18 months from the Listing Date, if the Corporation meets the "established issuer" criteria, all the Escrowed Securities will be immediately released from escrow.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Corporation or of a material operating subsidiary, with approval of the Board;
- (ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
- (iii) transfers upon bankruptcy to the trustee in bankruptcy;
- (iv) pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow; and
- (v) tenders of Escrowed Securities to a take-over bid, provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement as of the date of this Prospectus:

Name	No. of Escrowed Common Shares <sup>(1)</sup>	Offering Percentage (After Giving Effect to the Offering) <sup>(2)</sup>
Johannes J. Kingma	10,373,933 <sup>(3)</sup>	28.66%
Vincent E. Ghazar	640,000	1.77%
David E. T. Pinkman	740,000	2.04%
Igor Kovalchuk	1,600,000	5.13%
<b>TOTAL:</b>	<b>13,353,933</b>	<b>42.80%</b>

- (1) These shares have been deposited in escrow with the Escrow Agent.
- (2) These figures assume that the Agent's Warrants and the Stock Option Agreements have not been exercised. The aggregate number of issued and outstanding Common Shares before dilution would total 31,200,100 Common Shares.
- (3) Held indirectly through 1262430 Alberta Ltd, a private Alberta company wholly owned and controlled by Mr. Kingma.

### Shares Subject to Resale Restrictions

Canadian securities legislation generally requires that shares issued by a company during its private stage may not be resold without a prospectus or an applicable prospectus exemption until the expiration of certain hold periods. This legislation generally provides that, except for the Escrowed Securities, all of the Corporation's currently issued and outstanding Common Shares will no longer be subject to a hold period if they were issued during the time that the Corporation was a private company, so long as the Corporation becomes a reporting issuer by filing a prospectus in certain Canadian jurisdictions (including the Selling Jurisdictions) and has been a reporting issuer for more than four months.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Corporation's Common Shares except for the following:

Name	Prior to the Offering		Offering After Giving Effect to the Offering <sup>(1)(2)(5)</sup>	
	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held	Number of Common Shares Beneficially Owned Directly or Indirectly <sup>(3)</sup>	Percentage of Common Shares Held
Johannes J. Kingma <sup>(4)</sup>	10,373,933	33.25%	10,373,933	28.66%
<b>TOTAL:</b>	<b>10,373,933</b>	<b>33.25%</b>	<b>10,373,933</b>	<b>28.66%</b>

- (1) These figures assume that the Agent's Warrants and the Stock Option Agreements have not been exercised.
- (2) On a fully-diluted basis there will be 40,470,110 Common Shares outstanding, assuming completion of the Offering, the exercise of all Stock Option Agreements, the Agent's Warrants, and the exercise of the Agent's Option.
- (3) Assuming no securities are purchased by Mr. Kingma under the Offering.
- (4) Held indirectly through 1262430 Alberta Ltd, a private Alberta company wholly owned and controlled by Mr. Kingma.
- (5) On a fully diluted basis the holdings of Mr. Kingma will be 28.66%. See "Consolidated Capitalization".

## DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, position, principal occupations and the number of voting securities of the Corporation that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Province of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned (at the date of this Prospectus)
Johannes J. Kingma <sup>(1)(2)</sup> President, Chief Executive Officer and Corporate Secretary Calgary, Alberta	December 19, 2017	Mr. Kingma has been the President and Chief Executive Officer of 126430 Alberta Ltd., a private investment company, since 2006 and the President, Chairman and a director of Synstream Energy Corp., a TSX Venture Exchange listed company, since 2007.	10,373,933 <sup>(3)</sup>
Vincent E. Ghazar Chief Financial Officer and Director Calgary, Alberta	January 9, 2018	Mr. Ghazar has been a self-employed accountant since October 2002. Since January 2011, Mr. Ghazar has been the Controller of Synstream Energy Corp. and since March 2013, Chief Financial Officer and Vice President of Finance of Standard Exploration Ltd., both TSX Venture Exchange listed companies.	640,000
David E. T. Pinkman <sup>(1)</sup> Director Calgary, Alberta	January 9, 2018	Mr. Pinkman has been the Chief Financial Officer of International Softrock Oil Company Ltd., a TSX Venture Exchange listed oil and gas company, since 2012. Prior thereto, Mr. Pinkman served as Vice President and Corporate Secretary at Red Rock Energy Inc. from May 2005 until June 17, 2017 and also served as its Interim Chief Financial Officer from March 10, 2016 to July 29, 2016 and Mr. Pinkman was the Chief Financial Officer of Synstream Energy Corp., a TSX Venture Exchange listed company, from May 2007 until January 2018.	740,000
Igor Kovalchuk <sup>(1)</sup> Director Lethbridge, Alberta	April 23, 2018	Mr. Kovalchuk has been a Professor (tenured) at the Department of Biological Sciences at the University of Lethbridge and Board of Governors' Research Chair in Plant Biotechnology since 2001 and 2007, respectively. Since 2014, Mr. Kovalchuk has been an executive member and Scientific Leader of Alberta Epigenetics Network. In addition, Mr. Pinkman has been a Director of Next Generation Sequencing facility at South Alberta Group of Epigenetics studies (SAGES) since 2010.	1,600,000

- (1) Member of the Audit Committee of the Corporation.
- (2) Chairman of the Audit Committee.
- (3) Held indirectly through 1262430 Alberta Ltd, a private Alberta company wholly owned and controlled by Mr. Kingma.



The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the officers expires at the discretion of the Corporation's directors. The Corporation has one committee, the audit committee, whose members are Johannes J. Kingma, David E. T. Pinkman and Igor Kovalchuk. The directors and officers of the Corporation own collectively, 13,353,933 common shares which represents 42.80% of the issued and outstanding shares after giving effect to the Offering, or 32.99% on a fully-diluted basis.

## **Biographies**

The following is a brief description of the background of the key management, directors and promoters of the Corporation.

### **Johannes J. Kingma**, *President, Chief Executive Officer, Corporate Secretary and Director*

Mr. Kingma is 54 years of age. Mr. Kingma is the President, Chief Executive Officer, Corporate Secretary and a director of the Corporation and provides his services to the Corporation on a part time basis. He has served the Corporation as its President, Chief Executive Officer, Corporate Secretary and as a director since December 19, 2017. He will devote approximately 75% of his time to the affairs of the Corporation.

Mr. Kingma is a self-employed businessman. Mr. Kingma has served as the President, Chairman, and director of Synstream Energy Corp. (formerly Saccharum Energy Corp.) from since 2007 and as President of Primera Energy Resources Ltd. from October 2009 to July 2010. He served as the Chief Executive Officer and President of PanWestern Energy Inc., and Valeura Energy Inc. from January 29, 2004 to April 9, 2010. Prior thereto, he was a registered investment advisor with IPO Capital Corp., Canadian Western Capital Limited and its predecessor Charlton Securities Ltd. In addition to the above noted companies, Mr. Kingma has served as a director and officer of numerous public and private companies over the last 15 years.

Mr. Kingma studied petroleum mineral land management at Mount Royal College in Calgary.

Mr. Kingma has not entered into a non-competition or non-disclosure agreement with the Corporation.

### **Vincent E. Ghazar**, *Chief Financial Officer and Director*

Mr. Ghazar is the Chief Financial Officer and a director of the Corporation and provides his services to the Corporation on a part time basis. He has served as Chief Financial Officer and a director of the Corporation since January 9, 2018. He will devote approximately 75% of his time to the affairs of the Corporation.

Mr. Ghazar is 47 years of age. Mr. Ghazar is a self-employed professional accountant with over 25 years of domestic and international experience in the oil & gas industry. He has held executive and management positions with TSX Venture Exchange listed issuers which have been involved in growth, mergers, acquisitions and divestitures. Mr. Ghazar is currently Vice President of Finance and Chief Financial Officer for Standard Exploration Ltd., a public oil and gas company listed on the TSX-Venture Exchange and Controller for Synstream Energy Corp., a public oil and gas company listed on the TSX-Venture Exchange. Mr. Ghazar's previous executive involvement has included Primera Energy Resources Ltd., PanWestern Energy Inc., Longford Energy Inc. and BrazAlta Resources Corp., all TSX Venture Exchange listed issuers.

Mr. Ghazar holds a Bachelor of Arts Degree with a minor in Business from the University of Calgary and an Advanced Accounting Certificate from the Southern Alberta Institute of Technology, as well as completing the 5th level in the Certified Management Account program. Also forming part of Mr. Ghazar's formal education includes a CAPP certificate (Canadian Association of Petroleum Production Accounting) as well as certificates of completion in the Public Company Compliance Workshops which focus on the regulations of the Securities Regulatory Industry, Continuous Disclosure Obligations, as well as Regulatory and Corporate Governance Practices. Mr. Ghazar's executive and managerial background with TSX Venture Exchange listed issuers includes extensive IFRS and GAAP experience, accounting and tax treatment for corporations and subsidiaries, as well preparation of Financial Statements and Management's Discussion & Analysis (MD&A). He has international accounting experience in Canada, United States, and Trinidad and Tobago.

Mr. Ghazar has not entered into a non-competition or non-disclosure agreement with the Corporation.

**David E. T. Pinkman, Director**

Mr. Pinkman is 61 years of age. Currently, Mr. Pinkman is a director of the Corporation. He has served as a director of the Corporation since January 9, 2018. Mr. Pinkman is currently an independent businessman, but was the Interim Chief Executive Officer of Synstream Energy Corp. from August 21, 2017 until December 29, 2017 and was the Chief Financial Officer of Synstream Energy Corp. from May 2007 until January 6, 2018. He remains a director of that company and has served as such since May 2007. He is the Chief Financial Officer, Company Secretary and director of International SoftRock Oil Company Limited and has been so since February 2015. He has been a director of Builders Capital Mortgage Corp. since March 28, 2013.

Mr. Pinkman served as Vice President and Corporate Secretary at Red Rock Energy Inc. from May 2005 until June 17, 2017 and also served as its Interim Chief Financial Officer from March 10, 2016 to July 29, 2016.

Mr. Pinkman holds an LLB from the University of British Columbia (1984) and a BA in English from the University of Calgary (1980) and was Partner at the law firm Pinkman, McArdle, Barristers and Solicitors from June 1990 to March 2001. He was called to the bar in 1985, and as a lawyer he has practiced primarily in the areas of corporate and securities law. He serves as an executive and director of Wild Rose Motocross Association, a non-profit society operating in Calgary, AB, and has done so continuously since 1987. Mr. Pinkman has served on the boards of a number of public and private companies carrying on business in the resource and other industries.

Mr. Pinkman has not entered into a non-competition or non-disclosure agreement with the Corporation.

**Igor Kovalchuk, Director**

Mr. Kovalchuk is 49 years of age. Mr. Kovalchuk is a Director of the Corporation and has served in that capacity since April 23, 2018.

Mr. Kovalchuk has been a professor in the Department of Biological Sciences at the University of Lethbridge since 2001 and an executive member and Scientific Leader of Alberta Epigenetics Network since 2014. Mr. Kovalchuk is the co-founder of InPlanta Biotechnology Inc. since 2015, ReMediPhage LLC, Canada since 2015, Pathways Rx. Inc. since 2016, co-founder and a director of Oncofinder Ltd. since 2016 and co-founder of AAA Genomics Structures Inc. since 2017. In addition, Mr. Kovalchuk is a board member and Canada Director of International Society of Biocatalysts and Agricultural Biotechnology since 2012, founder of and CEO of Plantbiosis Ltd. since 2010 and co-founder of Canada Cancer and Aging Research Laboratories, Inc. since 2014. Mr. Kovalchuk is an expert in plant genetic engineering, including plant transformations, tissue culture, next generation sequencing, gene expression analysis, bioinformatics and molecular biology. Mr. Kovalchuk holds 8 patents in the area of improvement plant transformation and tissue culture. He has long-term expertise in linking basic science to the needs of industry through collaborative efforts with universities and government labs across the world and through the interactions with various small and large biotech companies.

Mr. Kovalchuk received a Medical Diploma in 1993 and an MD Degree with specialization in obstetrics and gynecology in 1996 from Ivano-Frankivsk State Medical Academy in Ukraine. Mr. Kovalchuk obtained a PhD in Genetics from the Institute of Hygiene and Medical Genetics and Ecology in Kieve, Ukraine in 1998 and in 2000, received an MBA in Management of International Scientific Projects from the Oil and Gas Academy in Ukraine in 2000.

Mr. Kovalchuk has not entered into a non-competition or non-disclosure agreement with the Corporation.

**Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below, to the best of the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of management of the Corporation is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other Corporation that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that Corporation, was the subject of a cease trade order or similar order or an order that denied the Corporation access to any statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

## Penalties or Sanctions

Except as disclosed below, to the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of management of the Corporation has, during the ten years prior to the date hereof, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Vincent G. Ghazar, the Chief Financial Officer of the Corporation, entered into a Settlement Agreement and Undertaking dated February 12, 2009 with the Alberta Securities Commission in connection with false and misleading statements made by High Plains Energy Inc. while Mr. Ghazar was the Chief Financial Officer of that company. Mr. Ghazar paid a \$40,000 fine and was banned from serving as an officer of any issuer for three years.

## Personal Bankruptcies

To the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of management of the Corporation 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.

## Conflicts of Interest

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

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management 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 Corporation and their duties as a director or officer of such other companies.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

NI 52-110 requires the Corporation, as a venture issuer, to disclose certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

### *Audit Committee Charter*

The text of the Audit Committee's charter is attached as Schedule A-1.

### *Composition of Audit Committee*

The members of the Corporation's Audit Committee are:

Johannes J. Kingma	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
David E. T. Pinkman	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Igor Kovalchuk	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### ***Relevant Education and Experience***

Each member of the Corporation's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

For a description of the education and experience of each of the audit committee members, see "Directors and Officers".

### ***Audit Committee Oversight***

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Corporation's most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### ***Pre-Approval Policies and Procedures***

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

### ***External Auditor Service Fees***

The fees billed by the Corporation's external auditors for the period from incorporation (December 19, 2017) to February 28, 2018 for audit and non-audit related services provided to the Corporation are as follows:

<b>Period from Incorporation December 19, 2017 to February 28, 2018</b>	<b>Audit Fees</b>	<b>Audit Related Fees <sup>(1)</sup></b>	<b>Tax Fees <sup>(2)</sup></b>	<b>All other Fees <sup>(3)</sup></b>
2018	\$4,494.00	Nil	Nil	Nil

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

### ***Exemption***

The Corporation has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

## **Corporate Governance**

### ***General***

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation.

In addition, NI 58-101 prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

### ***Board of Directors***

The Board facilitates its exercise of independent oversight of the Corporation's management through frequent meetings of the Board that often involve members of the management team.

The Board is comprised of four (4) directors, of whom David E. T. Pinkman and Igor Kovalchuk are independent for the purposes of NI 58-101. Johannes J. Kingma is not independent as he is a member of the Corporation's management and in addition, serves as President, Chief Executive Officer and Corporate Secretary of the Corporation.

### ***Directorships***

Certain directors are presently a director of one or more other reporting issuers as follows:

<b>Name</b>	<b>Name of Reporting Issuer</b>
Johannes J. Kingma	Synstream Energy Corp.
David E. T. Pinkman	Synstream Energy Corp. International Softrock Oil Company Ltd. Builders Capital Mortgage Corp.

### ***Orientation and Continuing Education***

New members of the Board receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Meetings of the Board are sometimes held at the Corporation's offices and, from time to time, are combined with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all members of the Board.

### ***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### ***Nomination of Directors***

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

### ***Compensation***

The Board is responsible for determining compensation for the directors of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public company.

### ***Other Board Committees***

The Board has no committee other than the Audit Committee.

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

In assessing the compensation of its executive officers, the Corporation does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board. The Corporation's executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account.

Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Corporation at competitive industry rates for work of a similar nature by reputable arm's length services providers.

The Corporation's executive compensation model is based on similar type and size companies and is comparable to the compensation program of newly organized companies that are in the process of initial public distributions. Both individual and corporate performance are also taken into account, on a subjective basis at the discretion of the Board, when determining executive compensation.

### **Compensation Objectives and Principles**

As the Corporation is in an exploration and development phase with no significant revenue from operations, the Corporation operates with limited financial resources and controls costs to ensure that funds are available to complete scheduled programs. As a result, the Board has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial situation of the Corporation in the mid- and long-term. An important element of executive compensation is that of stock options which does not require cash disbursement by the Corporation.

### **Compensation Process**

The Corporation will rely solely on its Board, without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to the Corporation's Named Executive Officers and directors, and for reviewing the recommendations respecting compensation for any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Corporation's shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) available financial resources.

### **Option-Based Awards**

Stock options are granted to: (i) provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation; (ii) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. See "Options to Purchase Securities".

### **Named Executive Officers' Compensation**

During the financial period ended February 28, 2018, the Corporation had two Named Executive Officers (as defined in National Instrument 51-102), namely Johannes J. Kingma, the President, Chief Executive Officer and Corporate Secretary and Vincent E. Ghazar, the Chief Financial Officer.

The following table sets forth the compensation of the Named Executive Officers, for the period indicated:

Name and Principal Position	Period Ended	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
<b>Johannes J. Kingma</b> <sup>(2)(3)</sup> President, Chief Executive Officer and Corporate Secretary	Feb 28, 2018	Nil	Nil	\$Nil	Nil	Nil	Nil	\$Nil <sup>(1)</sup>	\$Nil
<b>Vincent E. Ghazar</b> <sup>(2)(4)</sup> Chief Financial Officer	Feb 28, 2018	Nil	Nil	\$Nil	Nil	Nil	Nil	Nil	\$Nil

- (1) Paid to Mr. Kingma for management services provided to the Corporation.
- (2) Mr. Kingma and Mr. Ghazar were appointed Officers of the Corporation on December 19, 2017 and January 9, 2018, respectively.
- (3) Mr. Kingma was granted 450,000 Options on March 1, 2018 and exercisable at \$0.25 and expiring on March 1, 2023.
- (4) Mr. Ghazar was granted 150,000 Options on March 1, 2018 and exercisable at \$0.25 and expiring on March 1, 2023.

### Proposed Compensation to be paid to Executive Officers

Upon completion of the Offering, during the next 12 months, the Corporation proposes to pay the following compensation to its Named Executive Officers:

Name and Principal Position	Salary (\$) <sup>(1)</sup>	All Other Compensation (\$)	Total Compensation (\$)
<b>Johannes J. Kingma</b> President, Chief Executive Officer, Corporate Secretary	Nil	Nil	Nil
<b>Vincent E. Ghazar</b> Chief Financial Officer	Nil	Nil	Nil

- (1) The Corporation will not pay a salary to these individuals but will pay them on an hourly basis on such amounts as required in their respective roles, which is estimated to be approximately \$102,000 over the next 12 months.

### Outstanding Share-Based Awards and Option-Based Awards

See "Options to Purchase Securities".

### Termination of Employment, Change of Control Benefits and Employment Contracts

The Corporation does not have any employment or consulting contracts.

### Directors' Compensation

The only arrangements the Corporation has pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial period or subsequently, are by the issuance of incentive stock options pursuant to the Corporation's Stock Option Plan. The directors will not receive any cash remuneration for serving in their capacity as directors.

The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining, and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Corporation or any associate of any of them, was indebted to the Corporation as at February 28, 2018, or is currently indebted to the Corporation.

## PLAN OF DISTRIBUTION

### Common Shares

The Offering consists of 5,000,000 Common Shares to raise gross proceeds of \$1,250,000.

Pursuant to the Agency Agreement, the Corporation engaged the Agent as its exclusive agent for the purposes of the Offering, and the Corporation, through the Agent, hereby offers for sale to the public under this Prospectus, on a commercially reasonable efforts basis, the Common Shares to be issued and sold under the Offering at the Offering Price, subject to prior sale if, as and when issued. The Offering Price and terms of the Offering were established through negotiation between the Corporation and the Agent, in accordance with the policies of the CSE. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of Alberta, British Columbia, and Ontario (the "**Selling Jurisdictions**"). This Prospectus qualifies the distribution of the Common Shares to investors in those jurisdictions. The Agent reserves the right, at no additional cost to the Corporation, to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers, and investment dealers who may or may not be offered part of the commission or Agent's Warrants derived from this Offering. The Agent is not obligated to purchase Common Shares in connection with this Offering. The obligations of the Agent under this Offering may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other stated events as set forth in the Agency Agreement.

The Corporation has agreed to pay to the Agent a commission equal to 8% of the aggregate Offering Price of Common Shares sold under the Offering. The Agent's Commission may be reduced to 5% with respect to certain subscriptions listed on the President's List. The Agent will also be paid the Corporate Finance Fee. In addition, the Agent is entitled to receive upon successful completion of the Offering, as part of its remuneration, Agent's Warrants entitling the Agent to purchase that number of Common Shares equal to 8% of the number of Common Shares sold pursuant to this Offering. The Agent's Warrants may be reduced to 5% with respect to certain subscriptions listed on a President's List to be agreed to between the Corporation and the Agent. The Agent's Warrants will be exercisable at a price of \$0.25 per Common Share for a period of two (2) years from the Listing Date. This Prospectus qualifies the distribution of the Agent's Warrants to the extent the same are "Qualified Compensation Securities". The Agent received 1,120,000 Common Shares as additional compensation for advisory and consulting services rendered to the Corporation prior to the Listing Date.

The obligations of the Agent under the Agency Agreement may be terminated at any time before closing at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events. The Agent is not obligated, directly or indirectly, to advance their own funds to purchase any Common Shares.

The Corporation has agreed in the Agency Agreement to indemnify the Agent and its affiliates and its directors, officers and employees against certain liabilities and expenses and will contribute to payments that the Agent may be required to make in respect thereof.

As of the date hereof, the Agent owns 1,120,000 Common Shares, which were issued to the Agent for providing certain strategic advisory services to the Corporation. It is possible that the Agent's interest in the Common Shares held by it could be considered a conflict of interest as the Agent may undertake certain transactions, from time to time, in those securities for its own account or for the account of its respective clients. The Corporation has also granted the Agent the Agent's Option to purchase up to an additional 750,000 Common Shares at \$0.25 within seven days of the Closing Date.

NI 41-101 imposes a restriction on the maximum number of securities which may be distributed under a prospectus to an Agent as compensation. Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering is 500,000 securities. For the purposes of this Offering, the Agent's Warrants totalling 400,000 securities are Qualified Compensation Securities and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 8% of the Offering, those securities exceeding the 8% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable Canadian securities laws.

### **Closing of this Offering is conditional upon 5,000,000 Common Shares being sold.**

The Corporation has granted the Agent a right of first refusal in respect of future brokered debt or equity financings of the Corporation for a period of 12 months from the Closing Date. As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America.



Subscriptions will be received for the Common Shares offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the Subscriber forthwith without interest or deduction.

On the Closing Date, should the Agent elect for book entry delivery, the Common Shares will be available for delivery in book entry form through CDS or its nominee and will be deposited with CDS. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

### **Listing Application**

The Corporation has applied to list its Common Shares, including any Common Shares issued upon exercise the Agent's Warrants and the Agent's Option, on the CSE. Listing of the Corporation's Common Shares will be subject to the Corporation meeting all of the listing requirements prescribed by the CSE.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted on any exchange, has not applied to list or quote any of its securities on an exchange, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States.

## **RISK FACTORS**

**The securities offered hereunder must be considered highly speculative due to the nature of the Corporation's business. Prospective investors should carefully consider the information presented in this Prospectus before purchasing the Common Shares offered under this Prospectus, which include the following:**

### **Risks Relating to the Industry**

*The Corporation faces intense competition in the market from larger more established companies in the hemp and cannabis technology industry that offer a wider array of products. These competitors will make it difficult for the Corporation to offer competing products and grow its business.*

The Corporation will be competing with the producers of other products and competition in the hemp and cannabis technology industries will limit the availability of channels required for the successful distribution of the Corporation's products. The Corporation may not be able to compete successfully against its future competitors and competition could have a material adverse effect on its business, results of operations and financial condition. The Corporation's potential competitors may develop superior technology and services that achieve greater market acceptance than the Corporation's. Accordingly, failure of the Corporation's marketing campaign will result in the failure of the business.

### ***Industry changes may have a negative impact on the Corporation's operations***

The hemp and cannabis industries, in general, are undergoing significant changes, primarily due to technological developments. These developments have resulted in the availability of alternative forms of crop enhancing technologies. It is impossible to accurately predict the effect that these and other new technological developments may have on the Technology. These uncertainties as well as others outlined herein may have a negative impact on the Corporation's operations and could result in the complete failure of its business.

### ***The Corporation's success is dependent on foreign markets.***

Foreign and ancillary markets are expected to become increasingly important in the medical and recreational cannabis industries. As such, the Corporation may rely on foreign and ancillary markets for its revenue, particularly in Asia, where it has the exclusive license to deploy the Technology. Neither foreign nor ancillary markets provide a guarantee of revenue. Many markets may never legalize the consumption of recreational cannabis, which limits the demand for the Technology. Also, licensing in other foreign markets may be dependent upon performance in certain markets and if the Technology is not successful or if, for any reason, it is not well-received by the public, it may be a financial failure which would result in the operational and financial hardship of the Corporation.

***Foreign rules and regulations may have an adverse impact on the Corporation's operations.***

Some foreign countries may impose government regulations on the distribution of the Corporation's products which may affect demand for the Technology. Also revenues derived from the distribution of the Corporation's products in foreign countries, if any, may be subject to currency controls and other restrictions that may temporarily or permanently prevent the Corporation's ability to receive or account for such revenue. To the extent that the Corporation has made the economic decision to pursue a particular project based upon foreign distribution, its operations may suffer.

***Recreational cannabis is still illegal in Canada and Cambodia.***

Possessing and selling cannabis for non-medical purposes is still illegal everywhere in Canada and Cambodia. As of the date of this Prospectus, cannabis is classified as a Schedule II illegal drug in Canada under the *Controlled Drugs and Substances Act*, unless otherwise regulated for production and distribution for medical purposes under the current ACMPR, and in Cambodia in compliance with the Single Convention on Narcotics treaty. If Bill C-45, which was introduced by the Government of Canada in the House of Common on April 13, 2017, is not enacted into the Cannabis Act, or the Cambodian government does not legalize cannabis production, then demand for the Technology in Canada and Cambodia may decrease significantly.

**Prospective purchasers should be aware that no legal market for recreational marijuana exists in Canada or Cambodia and there is no guarantee that such market will become legal or develop in the future. In the event that recreational marijuana is legalized in Canada and/or Cambodia, there is no guarantee that the Corporation or potential franchisees will be permitted or able to participate in any market resulting thereof.**

***The Corporation's business is dependent on applicable regulatory licensing in the jurisdictions in which it plans to operate***

Successful execution of the Corporation's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all the requisite licenses, permits and other regulatory approvals (the "**Regulatory Approvals**"). Failure to receive the necessary Regulatory Approvals, comply with the requirements of the Regulatory Approvals or maintain the Regulatory Approvals in good standing, will have a material adverse impact on the business, financial condition and operating results of the Corporation. Although the Corporation believes it will be able to qualify for the Regulatory Approvals and meet requirements thereof, there can be no guarantee that the relevant regulators will accept the Corporation's applications for the Regulatory Approvals or, if they do, whether such regulators will continue to be satisfied with the Corporation's maintenance of the Regulatory Approvals.

The commercial cannabis industry is a new industry and the Corporation cannot predict the impact of the compliance regimes in Cambodia, Canada or elsewhere. Similarly, the Corporation cannot predict the time required to secure all appropriate Regulatory Approvals for its products, or the extent of testing and documentation that may be required by the relevant governmental and regulatory authorities. The impact of the applicable compliance regimes, and any delays in obtaining, or failure to obtain, Regulatory Approvals, may significantly delay or impact the development of markets, products and sales initiatives, and could have a material adverse effect on the business, financial condition and operating results of the Corporation. The Corporation cannot predict the time required to secure all appropriate Regulatory Approvals for its products, or the extent of testing and documentation that may be required by governmental and regulatory authorities. Any delays in obtaining, or failure to obtain, necessary Regulatory Approvals will significantly delay the development of markets and products, and could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

***The Corporation's business is vulnerable to unfavourable publicity or consumer perception.***

The success of the industrial hemp and marijuana industry may be significantly influenced by the public's perception of industrial hemp and medical marijuana medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana and industrial hemp is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

***The Corporation's growth targets will be difficult to realize.***

The Corporation's ability to begin commercial production of industrial hemp and CBD, at the pace projected in this Prospectus or at all, is affected by a number of factors, including the Corporation's ability to successfully utilize the Technology, plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

***The Corporation will be subject to risks associated with agricultural operations.***

Since the Corporation's business will revolve mainly around the growth of industrial hemp, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. There is not guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Corporation's ability to produce industrial hemp mainly through the cost of fertilizers.

***The hemp industry is subject to inherent risk relating to fluctuating prices of raw materials.***

The Corporation's revenues, if any, are expected to be in large part derived from the production, sale and distribution of hemp. The Corporation will not be insulated from the price variation of raw material to produce, sale and distribute hemp and CBD and the price of raw material may increase as a result of competition for the same raw materials. The effect of these factors on the price of product produced by the Corporation and, therefore, the economic viability of any of the Corporation's business, cannot accurately be predicted.

**US Related Risk Factors**

***Marijuana remains illegal under U.S. federal law and the approach to enforcement of U.S. federal laws against marijuana is subject to change.***

The Corporation's marijuana-related activities (i.e., selling the Technology) target the medical segment of the overall marijuana market. Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale, and possession of medical cannabis under the ACMPR, investors are cautioned that in the United States, cannabis is largely regulated at the state level. It should be noted that, in spite of the permissive regulatory environment of medical cannabis in many states within the United States, cannabis continues to be categorized as a controlled substance under the US federal Controlled Substances Act and as such, violates federal law in the United States. The United States Congress has passed appropriation bills each of the last three years that have not appropriated funds for the prosecution of cannabis offenses by individuals who are in compliance with state medical cannabis laws. However, as recreational marijuana production and distribution continues to violate federal law, American courts have observed that should Congress, at any time, choose to appropriate funds to fully prosecute the Controlled Substances Act, any individual or business, despite having fully complied with state law, could be prosecuted for violations of federal law. Violations of federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, or divestiture. The Corporation is not aware of any non-compliance with U.S. federal law; however, if the Corporation was found to be non-compliant, this could have a material adverse effect on the Corporation, including its reputation and ability to conduct business, financial position, operating results, profitability or liquidity or the market price of its Common Shares. In addition, it is difficult for the Corporation to estimate the time or resources that would be needed for the investigation of such matters or their final resolution should the Corporation come under such investigation.

In January 2018, Jeff Sessions, the Attorney General of the United States, reversed the Cole Memorandum (the "**Cole Memo**"), which governs federal prosecution of offenses related to marijuana. The Cole Memo stated that given its limited resources, the U.S. Justice Department would not enforce federal marijuana prohibition in U.S. states that legalized marijuana in some form and implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of marijuana. As a result of the reversal of the Cole Memo, uncertainty exists in respect of the legality of recreational marijuana production and sales in the U.S. As of the date of this Prospectus, the Corporation is not able to predict whether the U.S. Federal government will be taking action to enforce federal marijuana prohibitions against producers operating in U.S. states that have legalized recreational marijuana. In addition, much uncertainty surrounds the cannabis export market into the United States. Should the reversal of the Cole Memo become permanent or be expanded upon by the U.S. Federal government, the Corporation's future business plans in respect of the United States could be rendered illegal, eliminating the U.S. as a potential marketplace for the Corporation's products.

## **General Risk Factors**

***The Corporation has a limited history of operations and unless it is able to successfully execute its business plan, its business and operating results will suffer resulting in the complete failure of its business.***

The Corporation's operations are subject to all of the risks inherent in the establishment of a new business. The likelihood of the Corporation's success must be considered in light of the risks, problems, expenses and delays frequently encountered in connection with the formation of a new business in general, as well as the highly competitive environment in which the business is operating. To address these risks, the Corporation must, among other things, continue to respond to competitive developments, product failure causing personal injury and property damage, attract, retain and motivate qualified personnel, commercialize products, and implement and successfully execute its marketing strategy and advertising sales strategy. There can be no assurance that the Corporation will be successful in addressing such risks.

***The Corporation's auditor has substantial doubts as to the Corporation's ability to continue as a going concern.***

The Corporation's independent auditors have added an explanatory paragraph to their audit issued in connection with the financial statements for the fiscal year ended February 28, 2018, relative to the Corporation's ability to continue as a going concern. The Corporation has working capital of approximately \$560,000; however, the auditors have issued a going concern opinion expressing that there is substantial uncertainty the Corporation will be able to continue operations and should this be the case, investors could lose their entire investment. The financial statements do not include any adjustments that might result from the uncertainty about the Corporation's ability to continue its business. As such, the Corporation may be forced to cease operations and investors could lose their entire investment.

***The Corporation will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm the Corporation's operating results.***

As a public company, the Corporation will incur significant additional legal, accounting and other expenses that it did not incur as a private company, including costs associated with public company reporting requirements. The Corporation expects these rules and regulations to substantially increase its legal and financial compliance costs and to make some activities more time-consuming and costly. The Corporation is unable to currently estimate these costs with any degree of certainty. The Corporation also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage previously available. As a result, it may be more difficult for the Corporation to attract and retain qualified individuals to serve on the Board or as executive officers. Currently, the Corporation does not have a system of checks and balances in place covering its financial operations and investors will bear the economic risk associated with the lack of such oversight.

***To date, the Corporation has not generated revenues from operations and the Corporation may have additional capital requirements to continue its operations but they might not be available to the Corporation on favorable terms or at all, and if unavailable its ability to run its business will be impaired.***

As of the date of this Prospectus, the Corporation has limited working capital. Should the Corporation be successful in completing this Offering, the proceeds will be utilized over the next 12 months as specified in the "Use of Proceeds" section. If the Corporation is unable to generate sufficient revenues to cover operating expenses or raise additional funds after the 12 months or during the 12 months should the Corporation determine to undertake additional projects outside of its current business plan, the Corporation will be unlikely to expand its business operations.

***The Corporation's business strategy is entirely dependent on the Technology***

To date, the Corporation's activities and resources have been primarily focused on securing and planning the utilization of the Technology. The Corporation expects to continue to be focused on operations that are and will be wholly dependent upon the use of the Technology for the foreseeable future. Adverse changes or developments affecting the Technology could have a material and adverse effect on the business, financial condition and prospects of the Corporation.

In addition, the Corporation's business success is completely dependent on its ability to develop the Technology and secure direct and indirect distribution channels to generate revenue. Revenues derived therefrom represent vital funds for the Corporation's continued operations. The loss or damage of any of the Corporation's business relationships and or revenues derived therefrom will result in the inability to market and produce the Corporation's products.

***Technology and the License Agreement.***

The Corporation cannot be certain that the Technology granted under the License Agreement will not infringe upon patents, trademarks, copyrights or other intellectual property rights held by third parties. In addition, since the Corporation may rely on third parties to help it develop some of its products, the Corporation cannot ensure that litigation will not arise from disputes involving these third parties. The Corporation's success depends in part on InPlanta's ability to enforce intellectual property protection for the Technology and to operate without infringing the proprietary rights of third parties, as previously stated. The Corporation does not have a patent on the Technology and the intellectual property is owned by InPlanta as of the date of this Prospectus. Furthermore, there can be no assurance that others have not developed or will not develop similar concepts to the Technology. In addition, others may hold or receive intellectual protection covering concepts that were subsequently developed by InPlanta and which may adversely impact the demand for the Technology deployed by the Corporation. No assurance can be given that others will not or have not independently developed or otherwise acquired substantially equivalent intellectual property.

***Early failures would impair the Corporation's ability to attract additional capital.***

The Corporation's business model contemplates sales within the first month of operation. The Corporation is anticipating revenue from its sales to finance an increased level of operations. In the event that its early operations are not profitable, the Corporation will need to raise additional capital from outside investment. There are no guarantees that the Corporation will be able to raise such capital, or that if the Corporation is able to do so, that it will be on favorable terms. Early failures are likely to make such additional financing difficult to obtain and the Corporation may not be able to raise any additional capital, if required.

***The Corporation's products may not be accepted by the market and its business may fail as a direct result of such lack of market acceptance.***

The ultimate profitability of any product depends upon its audience appeal in relation to the cost of its production and distribution. The audience appeal of a given product depends, among other things, on unpredictable critical reviews and changing public tastes and such appeal cannot be anticipated with certainty. If certain segments of the viewing public do not like, are willing to pay for, or otherwise approve of the Corporation's products, the Corporation's business may fail.

***Cost overruns will affect the Corporation's results of operations and may cause the failure of its business.***

The costs of marketing/selling the Technology may be increased by factors beyond the Corporation's control. Such factors may include weather conditions, taxation, labor disputes, governmental regulations, equipment breakdowns and other production disruptions. While the Corporation intends to engage qualified personnel, the risk of running over budget is always significant and may have a substantial adverse impact on the Corporation's profitability.

***The Corporation is currently dependent on its officers and directors for its success and its future operations may require that the Corporation can attract and retain qualified employees, which it may not be able to do.***

The Corporation's current operations are managed by its officers and directors, and should its officers and directors resign, the Corporation would have no personnel to undertake its operations and therefore the Corporation would be adversely affected. The Corporation has no key-person insurance policy for the President or any other officers and/or directors and at this time, the Corporation has no intention of acquiring same. The Corporation's future operations may depend, in part, on its ability to attract, employ and retain additional qualified employees. No assurance can be given that the Corporation will be able to attract or retain such personnel, if required.

***The Corporation will rely on consultants and employees and if it is unable to retain these or other similarly qualified individuals, the Corporation may not be able to carry out its business operations.***

The Corporation expects to be dependent upon contract service providers and loss of their services could adversely affect the Corporation's business and its ability to maintain its operations or develop new products. The Corporation has not entered into any employment or non-competition agreements with any individuals and do not plan to in the future. The Corporation's success will depend on its ability to attract and retain qualified personnel. If the Corporation cannot attract and retain the necessary individuals, its operating results will suffer.

***There is no guarantee that the Corporation will be able to sell enough, or any, of the Technology to generate a profit and failure to become profitable will result in the failure of its business.***

The market for the Technology is limited in scope and there is no assurance that the Corporation's products will generate market acceptance and result in sales. The inability to sell and deploy the Technology will result in the failure of the Corporation's business.

***The Corporation does not have a patent and only holds a license to the Technology. The Technology may infringe on other patented, trademarked or copyrighted concepts. Litigation arising out of infringement or other commercial disputes could cause the Corporation to incur expenses and impair its competitive advantage.***

The Corporation cannot be certain that the Technology will not infringe upon patents, trademarks, copyrights or other intellectual property rights held by third parties. In addition, since the Corporation may rely on third parties to help it develop some of its products, the Corporation cannot ensure that litigation will not arise from disputes involving these third parties. The Corporation may incur substantial expenses in defending against prospective claims, regardless of their merit. Successful claims against the Corporation may result in substantial monetary liability, significantly impact its results of operations in one or more quarters or materially disrupt the conduct of its business. In addition, whether or not additional intellectual property protection is issued to the Corporation, others may hold or receive intellectual protection covering concepts that were subsequently developed by the Corporation and no assurance can be given that others will not or have not independently developed or otherwise acquired substantially equivalent intellectual property.

***The Corporation is subject to certain uninsured or uninsurable risks.***

The Corporation may be subject to liability for risks against which it cannot insure or against which the Corporation may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Corporation's usual business activities. Payment of liabilities for which the Corporation does not carry insurance may have a material adverse effect on the Corporation's financial position and operations.

***The Corporation will be subject to risks associated with transportation disruptions.***

The Corporation will depend on fast, cost-effective and efficient transportation services to distribute its product. Any prolonged disruption of this transportation service could have an adverse effect on the financial condition and results of operations of the Corporation. Rising costs associated with the courier service used by the Corporation to ship its products may also adversely impact the business of the Corporation and its ability to operate profitably.

***The Corporation must comply with various environmental and employee health and safety regulations.***

The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land; the handling and disposal of hazardous and nonhazardous materials and wastes, and employee health and safety. The Corporation will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

***The Corporation's operations in Asia will be subject to political and economic instability.***

The Corporation may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Corporation's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

***The Corporation's operations will be subject to Economic and Political Developments in Cambodia, Including Export Controls***

In the past few decades, the Cambodian economy has experienced some periods of extreme volatility including periods of low or negative growth and variable levels of inflation. However, in 2016, Cambodia graduated from the status of a least developed country to a lower middle income country. Cambodia still has a stable exchange rate and low inflation; however, there is no guarantee of economic stability. As is the case in many other nations, should inflation rise and government popularity decrease, the economic situation in Cambodia could quickly deteriorate as it has done throughout the country's history.

## **Risk Factors Relating to This Offering**

***The Corporation's shares are not currently traded on any stock market and there is no assurance that Common Shares purchased pursuant to this Offering can be resold and, if resold, at prices at or above the Offering Price.***

The Offering Price was determined by negotiation with the Agents and bears no relationship to the Corporation's earnings, book value, or any other recognized criteria of value. At the present time there is no public market for the Common Shares and the Corporation cannot predict the extent to which investor interest in the Corporation will lead to the development of an active, liquid trading market. Investors should not consider investing in this Offering unless they can afford the complete loss of their investment.

***Shareholders may suffer dilution in the future.***

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation which may be dilutive to existing securityholders.

***The Corporation will incur significant costs as a result of operating as a reporting company, and management will be required to devote substantial time to compliance initiatives.***

The Corporation will incur significant legal, accounting and other expenses as a fully-reporting public company. The Corporation's management will need to devote a substantial amount of time to these new compliance initiatives. Moreover, these rules and regulations will increase the Corporation's legal and financial compliance costs and will make some activities more time-consuming and costly.

***The Corporation does not plan to pay dividends in the foreseeable future, and, as a result, stockholders will need to sell shares to realize a return on their investment.***

The Corporation has not declared or paid any cash dividends on its capital stock since inception. The Corporation intends to retain any future earnings to finance the operation and expansion of its business and does not anticipate paying any cash dividends in the foreseeable future. As a result, stockholders will need to sell shares of common stock in order to realize a return on their investment, if any. If no market develops for the common shares in the future investors would lose their entire investment.

***You may not be able to sell the Common Shares.***

There is no public market for the Common Shares. In the absence of being listed, no market is available for investors to sell their Common Shares. Although the Corporation has applied for listing on the CSE, there is no guarantee that any such listing will occur. Even if a CSE listing is achieved, there is no guarantee that a market will develop for the Common Shares and therefore, investors in this Offering may find it difficult or impossible to sell their Common Shares.

If a market develops, it is anticipated that the market price of the Common Shares will be subject to wide fluctuations in response to several factors including:

- the ability to generate revenues from sales;
- the ability to generate brand recognition of the products and services and acceptance by consumers;
- increased competition from competitors who offer competing services;
- the financial condition and results of operations; and
- the ability to continue to generate or otherwise acquire new products and develop those assets into viable commercial products.

Furthermore, the stock market may experience extreme price and volume fluctuations, which, without a direct relationship to the Corporation's operating performance, may affect the market price of the Common Shares.

***The Corporation may, in the future, issue additional Common Shares which would reduce investors' percentage ownership and may dilute the value of the Common Shares.***

The Corporation's Articles of Incorporation authorize the issuance of unlimited Common Shares. There are no other classes of securities authorized other than preferred shares. The Corporation may value any securities issued in the future on an arbitrary basis. The issuance of additional securities for future services or acquisitions or other corporate actions may also have the effect of diluting the value of the Common Shares held by the Corporation's investors and might have an adverse effect on the trading market for the Common Shares.

### ***Insufficient Capital***

The Corporation does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Corporation will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Corporation will be successful in obtaining such additional financing; failure to do so could result in failure of the Corporation and total loss of your investment.

### ***Financing Risks***

The Corporation has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Corporation will be profitable. The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its equity shares and there is no assurance that any such funds will be available on terms acceptable to the Corporation, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### ***Limited Operating History***

The Corporation has no history of earnings. The purpose of this Offering is to raise funds to carry out its business objectives.

### ***Resale of Common Shares***

The continued operation of the Corporation 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 Corporation is unable to generate such revenues or obtain such additional financing, any investment in the Corporation may be lost. In such event, the probability of resale of the Common Shares purchased would be vastly diminished.

### ***Price Volatility of Publicly Traded Securities***

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after this Offering. The Offering Price of the Common Shares has been determined by negotiations between the Corporation and representatives of the Agent and such Offering Price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price to the public.

### ***Negative Operating Cash Flow***

Since inception, the Corporation has had limited operating cash flow. The Corporation expects to incur losses over the next several years. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the business plan. The Corporation cannot predict when it will reach positive operating cash flow.

### ***Conflicts of Interest***

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (Alberta).

**These risk factors, individually or occurring together, would likely have a substantial negative effect on the Corporation's business and would likely cause it to fail.**



## **PROMOTER**

Johannes J. Kingma is considered to be the promoter of the Corporation. See "Directors and Officers".

1262430 Alberta Ltd., a company wholly owned and controlled by Johannes J. Kingma, acquired 100 Common Shares at a price of \$0.01 per Common Share on incorporation and an additional 10,373,833 Common Shares at a price of \$0.02 per Common Share pursuant to a private placement, representing aggregate of 10,373,933 Common Shares, or 33.25% of the Common Shares issued by the Corporation prior to the Offering. All of these Common Shares are held in escrow. See "Escrowed Securities".

Mr. Kingma was granted 450,000 stock options at an exercise price of \$0.25 per stock option for a period of 5 years from the date of grant on March 1, 2018.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Corporation is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The directors, senior officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Corporation has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Corporation.

## **RELATIONSHIP BETWEEN THE CORPORATION AND AGENT**

The Corporation is not a related party or connected party to the Agent (as such terms are defined in National Instrument 33-105 Underwriting Conflicts).

## **AUDITORS**

The auditor of the Corporation is MNP LLP, Chartered Professional Accountants of Calgary, Alberta.

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Corporation is TSX Trust Company, of 300 - 5th Avenue SW, 10th Floor, Calgary, Alberta T2P 3C4.

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Assignment and Assumption made between the Corporation, InPlanta Biotechnology Inc., and SHM Grow Corp. dated February 2, 2018, referred to under "General Development of the Business".
2. License Agreement made between the Corporation and InPlanta Biotechnology Inc. dated March 7, 2018, referred to under "General Development of the Business."
3. Stock Option Plan dated February 20, 2018 referred to under "Options to Purchase Securities".
4. Stock Option Agreements dated for reference March 1, 2018 between the Corporation and certain directors and officers of the Corporation referred to under "Options to Purchase Securities".
5. Escrow Agreement among the Corporation, the Escrow Agent and the Principals of the Corporation dated April 25, 2018 referred to under "Escrowed Shares".
6. Agency Agreement between the Corporation and Emerging Equities Inc. dated for reference ●, 2018 referred to under "Plan of Distribution".

A copy of any material contract may be inspected during distribution of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Corporation's offices at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4.

As well, the material contracts are available for viewing on SEDAR located at the following website: [www.sedar.com](http://www.sedar.com).

### **EXPERTS**

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of this document or a report of valuation described in the Prospectus:

1. The information in this Prospectus under the headings "Eligibility for Investment" has been included in reliance upon the opinion of Heighington Law; and
2. The audited financial statements of the Corporation included with this Prospectus have been subject to audit by MNP LLP, Chartered Professional Accountants and their audit report is included herein.

Based on information provided by the relevant persons listed above, other than as noted below, none of such persons or companies have received or will receive any direct or indirect interests in the property of the Corporation. None of the aforementioned persons or companies, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Corporation or its associates and affiliates, with the exception that David D. Heighington, a director of the Corporation, owns and operates Heighington Law and provides legal services to the Corporation, owns 250,000 common shares of the Corporation.

MNP LLP, Chartered Professional Accountants are the auditors of the Corporation. MNP LLP, Chartered Professional Accountants has informed the Corporation that it is independent of the Corporation within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of Alberta (ICAA).

### **OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed herein.

### **PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of Alberta, British Columbia, and Ontario provides subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the subscriber, provided that the remedies for rescission or damages are exercised by the subscriber within the time limit prescribed by the securities legislation of the subscriber's province or territory. The subscriber should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

### **FINANCIAL STATEMENTS**

Attached to and forming a part of this Prospectus are the audited financial statements of the Corporation for the period from incorporation on December 19, 2017 to February 28, 2018.

## **SCHEDULE "A"**

### **ASIA CANNABIS CORP. (the "Company")**

#### **AUDIT COMMITTEE CHARTER**

##### **1.0 Purpose of the Committee**

- 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

##### **2.0 Members of the Audit Committee**

- 2.1 At least one Member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- 2.2 The Audit Committee shall consist of no less than three Directors.
- 2.3 At least one Member of the Audit Committee shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

##### **3.0 Relationship with External Auditors**

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

##### **4.0 Non-Audit Services**

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
  - (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5.0 Appointment of Auditors**

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6.0 Evaluation of Auditors**

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7.0 Remuneration of the Auditors**

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8.0 Termination of the Auditors**

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9.0 Funding of Auditing and Consulting Services**

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## **10.0 Role and Responsibilities of the Internal Auditor**

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## **11.0 Oversight of Internal Controls**

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

## **12.0 Continuous Disclosure Requirements**

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

## **13.0 Other Auditing Matters**

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

**14.0 Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

**15.0 Independent Advisers**

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

**FINANCIAL STATEMENTS**

Audited Financial Statements of the Corporation for the period ended February 28, 2018 are attached.

**ASIA CANNABIS CORP.**

**Financial Statements**

**For the Period from December 19, 2017 (date of incorporation)  
to February 28, 2018**

*(In Canadian Dollars)*

## Independent Auditors' Report

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To the Directors of Asia Cannabis Corp.

We have audited the accompanying financial statements of Asia Cannabis Corp. which comprise the statement of financial position as at February 28, 2018, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from December 19, 2017 (date of incorporation) to February 28, 2018, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Asia Cannabis Corp. as at February 28, 2018 and its financial performance and its cash flows for the period from December 19, 2017 (date of incorporation) to February 28, 2018 in accordance with International Financial Reporting Standards.

Calgary, Alberta  
May 17, 2018

Chartered Professional Accountants

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**Asia Cannabis Corp.**  
**Statement of Financial Position**  
**As at February 28, 2018**  
*(amounts in Canadian dollars)*

	Notes	2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents		\$ 601,141
<hr/>		
Total current assets		601,141
Deposit on technology acquisition	5	40,000
<hr/>		
Total assets		\$ 641,141
<hr/>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities		\$ 18,130
<hr/>		
Total liabilities		18,130
<hr/>		
<b>Shareholders' Equity</b>		
Share capital	6	635,501
Deficit		(12,490)
<hr/>		
Total shareholders' equity		623,011
<hr/>		
Total liabilities and shareholders' equity		\$ 641,141
<hr/>		
Contingency	5	
Subsequent events	5, 11	

*See accompanying notes to the financial statements.*

Approved by the Board of Directors,

(signed)  
 "Johannes J. Kingma"  
 Director

(signed)  
 "Vincent E. Ghazar"  
 Director

**Asia Cannabis Corp.**  
**Statement of Loss and Comprehensive Loss**  
**For the period from December 19, 2017 (date of incorporation) to February 28, 2018**  
*(amounts in Canadian dollars)*

	Notes	2018
Revenue		\$ -
Expenses		
Audit		6,000
Legal		6,490
<b>Total expenses</b>		<b>12,490</b>
<b>Loss and comprehensive loss for the period</b>		<b>\$ (12,490)</b>
<b>Loss per share</b>		
Basic	10	(\$0.00)

*See accompanying notes to the financial statements.*

**Asia Cannabis Corp.**  
**Statement of Changes in Shareholders' Equity**  
*(amounts in Canadian dollars)*

	Number of Shares	Share Capital Stated Value	Deficit	Total Shareholders' Equity
Balance at December 19, 2017	-	\$ -	\$ -	\$ -
Incorporation shares	100	1	-	1
Issuance of shares for cash	28,800,000	576,000	-	576,000
Issuance of shares for deposit (Note5)	2,000,000	40,000	-	40,000
Issuance of shares for cash	400,000	24,000	-	24,000
Share issue costs	-	(4,500)	-	(4,500)
Net loss for the period	-	-	(12,490)	(12,490)
<b>Balance at February 28, 2018</b>	<b>31,200,100</b>	<b>\$ 635,501</b>	<b>\$ (12,490)</b>	<b>\$ 623,011</b>

*See accompanying notes to the financial statements.*

**Asia Cannabis Corp.**  
**Statement of Cash Flows**  
**For the period from December 19, 2017 (date of incorporation) to February 28, 2018**  
*(amounts in Canadian dollars)*

	Notes	2018
Cash and cash equivalents provided by (used in):		
Operating activities		
Loss for the period		\$ (12,490)
Adjustments for:		
Changes in non-cash working capital – accounts payable		18,130
<b>Net cash from operating activities</b>		<b>5,640</b>
Financing activities		
Issuance of shares	6	600,001
Share issue costs	6	(4,500)
<b>Net cash from financing activities</b>		<b>595,501</b>
Change in cash and cash equivalents		601,141
Cash and cash equivalents, beginning of period		-
<b>Cash and cash equivalents, end of period</b>		<b>\$ 601,141</b>

*See accompanying notes to the financial statements.*

**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
**For the period from December 19, 2017 (date of incorporation) to February 28, 2018**  
*(amounts in Canadian dollars)*

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**1. Incorporation**

Asia Cannabis Corp. ("ACC" or the "Corporation") was incorporated by Certificate of Incorporation pursuant to the provisions of Alberta, Canada on December 19, 2017. The Corporation intends to list on the Canadian Securities Exchange ("CSE") as a publicly-traded corporation and has submitted its listing application.

**2. Nature of organization and continuance of operations**

Asia Cannabis Corp. ("ACC" or the "Corporation") is an early-entry international cannabis company focused on the business of providing technological innovation to the cannabis and hemp industries with the secondary aim of leveraging the value in that technological innovation to develop a portfolio of strategic cannabis investments within favourable jurisdictions to take advantage of the advancement of cannabis regulations globally. Pursuant to the terms of a License Agreement, the Corporation has secured the exclusive rights to use certain technology for use in the cannabis and hemp industry in the entirety of Asia, including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippine's (Note 5).

The address of the registered office of the Corporation is Suite 730, 1015 – 4<sup>th</sup> Street S.W., Calgary, Alberta, T2R 1J4.

The financial statements of the Corporation for the period from December 19, 2017 (date of incorporation) to February 28, 2018 were authorized for issue in accordance with a resolution of the directors on May 17, 2018.

The Corporation's continuing operations, as intended, will require additional funding. There is no assurance that the Corporation will be able to obtain the required future funding.

**3. Basis of preparation**

*Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee ("IFRIC") in effect at December 19, 2017.

These financial statements are the Corporation's first financial statements prepared under IFRS and the first financial statements prepared since Incorporation.

*Basis of measurement*

These financial statements are stated in Canadian dollars which is the Corporation's functional currency and were prepared on a going concern basis, under the historical cost convention.

**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
**For the period from December 19, 2017 (date of incorporation) to February 28, 2018**  
*(amounts in Canadian dollars)*

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**4. Significant accounting policies**

*Cash and cash equivalents*

Cash and cash equivalents consist of proceeds generated from the issuance of ordinary shares deposited in trust or in a Corporate bank account.

*Share-based compensation*

The Corporation intends to adopt a share option plan, which allows the Corporation to issue options to the directors and officers of the Corporation to purchase ordinary shares of the Corporation at a stipulated price. The option grants will not exceed 10% of the issued and outstanding ordinary shares of the Corporation. The Corporation measures these amounts at fair value at the grant date and compensation expense is recognized over the vesting period.

*Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

*Intangible assets*

Intangible assets with indefinite lives are not amortized and are tested at least annually for impairment and are written down if impaired. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and are tested for impairment whenever circumstances indicate their carrying value may not be fully recoverable.

*Current income tax*

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

*Deferred tax*

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the balance sheet and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax basis. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
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*(amounts in Canadian dollars)*

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4. Significant accounting policies (continued)

*Financial instruments*

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized upon extinguishment. A modification of a financial liability with an existing lender is evaluated to determine whether the amendment results in substantially different terms in which case it is accounted for as an extinguishment.

All financial instruments are initially measured at fair value on the statement of financial position. The Corporation measures financial instruments in subsequent periods depending on how the instrument has been classified. Financial instruments classified as held to maturity, loans and receivables and other financial liabilities are measured initially at fair value, and subsequently at amortized cost using the effective interest rate method. Cash and cash equivalents are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial assets and liabilities are not offset unless they are with a counterparty for which the Corporation has a legally enforceable right to settle the financial instruments on a net basis and the Corporation intends to settle on a net basis.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

An impairment of loans and receivables carried at amortized cost is recognized in earnings when the asset's carrying amount exceeds the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. A reduction in an impairment charge may be recognized if the decrease is related objectively to an event occurring after the impairment was recognized.

Where an impairment charge is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount which does not exceed the carrying amount had no impairment charge been recognized in previous periods. A reversal of an impairment charge is recognized immediately in earnings.

*Recent accounting pronouncements*

*IFRS 9, Financial Instruments*

IFRS 9 is the new standard on classification, measurement and impairment of financial assets and liabilities that will replace IAS 39, "Financial Instruments: Recognition and Measurements". The latest version of IFRS 9 was issued in July 2014. The package of improvements introduced by IFRS 9 includes a revised model for classification and measurement based on business model and cash flow tests, a single, forward-looking 'expected loss' impairment model and a substantially revised risk-based approach to hedge accounting. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018. The Corporation is currently evaluating the impact of the standard on its financial statements.



**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
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*(amounts in Canadian dollars)*

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**4. Significant accounting policies (continued)**

*IFRS 15, Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Corporation has assessed that there will be no significant impact on its financial statements from the implementation of this standard.

*IFRS 16, "Leases"*

In January 2016, the IASB issued IFRS 16, which replaces IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 "Revenue from Contracts with Customers". The Corporation is currently assessing and quantifying the effect on its financial statements

**5. Deposit on technology acquisition**

On February 2, 2018, the Corporation entered into an assignment and assumption agreement (the "Agreement") with Implanta Biotechnology Inc. ("Implanta") and SHM Grow Corp. ("SHM") with respect to the assignment to the Corporation of all rights, title and interest in a letter of intent. Pursuant to the Agreement the Corporation issued 2,000,000 common shares to the shareholders of Implanta on February 23, 2018 at a fair value price of \$0.02 per common share, for aggregate consideration of \$40,000.

On March 7, 2018, the Corporation entered into a license agreement (the "License Agreement") with Implanta wherein Implanta granted the Corporation the exclusive license to use a proprietary organic hybridization technology for planting, growth and harvesting of new and valuable hemp strains and related crops in commercial quantities. The Corporation intends to apply the technology to the cannabis and hemp industry in the entirety of Asia, including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippines.

In return for the grant of license to the Corporation, the Corporation will pay royalties on the sake of seed and related by-products on a sliding scale basis. In addition, the Corporation has agreed to complete a test program in the subject territory to demonstrate the application of the licensed technology with a budget of not less than \$1.0 million and to pay a retainer of \$5,000 per month to the licensor for completion of related laboratory work and analysis.



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6. **Share capital**

a) Authorized

Unlimited number of voting common shares, without par value.

Unlimited number of preferred shares issuable in series, as determined by the directors.

b) Issued

Common shares	Number of Shares		Stated Value
<b>Balance at December 19, 2017</b>	-	\$	-
Incorporation (i)	100		-
Issuance of shares for cash(ii)	28,800,000		576,000
Issuance of shares for deposit (Note 5)	2,000,000		40,000
Issuance of shares for cash (iii)	400,000		24,000
Share issue costs (iv)	-		(4,500)
<b>Balance at February 28, 2018</b>	<b>31,200,100</b>	<b>\$</b>	<b>635,501</b>

- (i) On December 19, 2017, the Corporation issued 100 common shares of the Corporation at an issue price of \$0.01 per common share, for aggregate gross proceeds of \$1.00.
- (ii) On February 22, 2018, the Corporation issued 28,800,000 common shares of the Corporation at an issue price of \$0.02 per common share, for aggregate gross proceeds of \$576,000.
- (iii) On February 24, 2018, the Corporation issued 400,000 common shares of the Corporation at an issue price of \$0.06 per common share, for aggregate gross proceeds of \$24,000.
- (iv) In connection with the closing of the private placements above, the Corporation incurred \$4,500 in share issue costs.

**Asia Cannabis Corp.**  
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**7. Income taxes**

Income tax expense

The income tax provision differs from income taxes, which would result from applying the expected tax rate to net income (loss) before income taxes. The differences between the "expected" income tax expenses and the actual income tax provision are summarized as follows:

	<b>February 28, 2018</b>
Loss for the period	\$ (12,490)
Expected income tax recovery at 27.00%	(3,372)
Share issue costs	(122)
Change in deferred tax assets not recognized	3,494
<b>Total income taxes (recovery)</b>	<b>\$ -</b>

At February 28, 2018, the Company's unrecognized deferred tax assets are as follows:

	<b>February 28, 2018</b>
Non-capital loss carry forwards	\$ (13,390)
Share issue costs	3,600

The Company's non-capital losses are available to apply against future taxable income. These losses can be carry forward to 2038.

Deferred tax assets are recorded only to the extent that future taxable income will be available against which the deferred tax asset can be offset. Management estimates future income using forecasts based on the best available account information. Based on account estimates, no deferred tax asset has been recorded.

**8. Capital Management**

The Corporation's capital consists of share capital. The Corporation's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete a purchase of assets or a business with a view to completing a qualifying transaction.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation's objectives when managing capital are:

- (i) to maintain a flexible capital structure, which optimizes the cost of capital and acceptable risk; and
- (ii) to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Corporation is not subject to any externally or internally imposed capital requirements at period end.

**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
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*(amounts in Canadian dollars)*

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**9. Financial instruments**

The Corporation, as part of its operations, carries financial instruments consisting of cash held in trust and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments, except as otherwise disclosed.

**Fair value**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of the Corporation's financial instruments, consisting of cash and cash equivalents and accounts payable and accrued liabilities, approximate their fair value due to the short-term maturities of these items.

**Credit risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Due to the nature of cash being held in trust, the Corporation believes it has no significant credit risk.

**Liquidity risk**

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2018, the Corporation had a cash balance of \$601,141 to settle obligation of \$18,130. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

**Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(i) **Interest rate risk**

The Corporation has cash balances that bear no interest.

(ii) **Foreign currency risk**

The Corporation does not have assets or liabilities denominated in a foreign currency.

**Asia Cannabis Corp.**  
**Notes to the Financial Statements**  
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**10. Loss per share**

The following table summarizes the common shares used in calculating net loss per share:

	2018
<b>Weighted Average Common Shares Outstanding</b>	
Basic	2,994,544

**11. Subsequent events**

Pursuant to the terms of an escrow agreement dated April 25, 2018, a total of 13,353,933 common shares issued to the directors and officers of the company will be held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released upon the listing date and an additional 15% will be released therefrom every 6-month interval thereafter, over a period of 36 months. These escrow shares, which are considered contingently issuable, will be excluded from loss per share calculations.

On March 1, 2018, the company granted 3,120,010 stock options to directors and officers pursuant to its stock option plan to purchase common shares at an exercise price of \$0.25 per common share, exercisable for a period of five years from the date of grant.

Pursuant to an agency agreement dated ●, 2018 (the "Agency Agreement") with Emerging Equities Inc. (the "Agent"), the company has agreed to file a prospectus for an initial public offering ("IPO" or the "Offering") in British Columbia, Alberta, and Ontario of 5,000,000 common shares at \$0.25 per common share for gross proceeds of \$1,250,000. The Agent for the Offering has agreed to use its commercially reasonable efforts to secure subscriptions for these shares. Under the Agency Agreement, the Agent will be given an 8% cash commission, a corporate finance fee of \$35,000, and granted an option to acquire an additional number of common shares equal to 8%, which may be reduced to 5% with respect to certain subscriptions listed on a president's list, of the number of common shares sold in the IPO at a price of \$0.25 per share, exercisable for a period of two years from the date the common shares are first listed for trading on the exchange. As a result of providing certain strategic advisory services to the company, the Agent will also receive as compensation, on the closing date, 1,120,000 common shares. The company has also granted the Agent an over-allotment option to purchase up to an additional 750,000 common shares at \$0.25 within seven days of the closing date of the offering.

The completion of the offering is dependent upon the issuance by regulatory authorities of a receipt in respect of the company's prospectus.

**CERTIFICATE OF ASIA CANNABIS CORP.**

Dated: May 17, 2018

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by securities legislation of Alberta, Ontario and British Columbia.

(Signed) "*Johannes J. Kingma*"

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**Johannes J. Kingma**  
President, Chief Executive Officer,  
Corporate Secretary and Director

(Signed) "*Vincent E. Ghazar*"

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**Vincent E. Ghazar**  
Chief Financial Officer and Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) "*David E. T. Pinkman*"

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**David E. T. Pinkman**  
Director

(Signed) "*Igor Kovalchuk*"

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**Igor Kovalchuk**  
Director

**CERTIFICATE OF PROMOTER**

Dated: May 17, 2018

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by securities legislation of Alberta, Ontario and British Columbia.

(Signed) "*Johannes J. Kingma*"

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**Johannes J. Kingma**

President, Chief Executive Officer,  
Corporate Secretary and Director

**CERTIFICATE OF THE AGENT**

Dated: May 17, 2018

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by securities legislation of Alberta, Ontario and British Columbia.

**EMERGING EQUITIES INC.**

Per: (Signed) "*James Hartwell*"

**James Hartwell**

President and Chief Executive Officer