FILING STATEMENT

IN RESPECT OF

THE QUALIFYING TRANSACTION OF

AUMENTO CAPITAL V CORPORATION

March 31, 2017

*Neither the TSX Venture Exchange Inc. (the "**Exchange**") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.*

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GLOSSARY OF TERMS

In this filing statement, unless otherwise defined or expressly stated herein or something in the subject matter or the context is clearly inconsistent therewith:

"**ACC Shares**" means the common shares in the capital of the Company.

"**ACC Options**" means 184,832 incentive stock options of the Company granted pursuant to the Stock Option Plan, each of which entitles the holder thereof to acquire one ACC Share.

"**ACC Shareholders**" means the holders of the ACC Shares.

"**ACMPR**" means the Access to Cannabis for Medical Purposes Regulations (Canada) in effect since August 24, 2016, and which replaced the MMPR.

"**ACMPR License**" means License No. 10-MM0070/2016 originally issued by Health Canada pursuant to the MMPR and the CDSA and its regulations, which remains valid and continued under the ACMPR, with an effective date of April 22, 2016 and expiry date of April 24, 2017, granting the Company the authority to produce, possess, ship, transport, deliver and destroy dried marihuana and marihuana plants (including live clippings and seed).

"**ACMPR Patients**" means patients registered under the ACMPR and that are eligible to purchase medical cannabis from licensed producers under the ACMPR.

"**Acquisition Agreement**" means the acquisition agreement dated March 2, 2017 among the Company, WeedMD, and Newco.

"**Agency Agreement**" means the agency agreement entered into between WeedMD and the Agents and dated as of November 8, 2016.

"**Agents**" means Dundee Securities Ltd. (now Eight Capital), Canaccord Genuity Corp. and Echelon Wealth Partners Inc.

"**Affiliate**" means a company that is affiliated with another company as follows:

(a) a company is an "**Affiliate**" of another company if:

(i) one of them is the subsidiary of the other; or

(ii) each of them is controlled by the same Person.

(b) a company is "**controlled**" by a Person if:

(i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

(c) a Person beneficially owns securities that are beneficially owned by:

(i) a company controlled by that Person; or

(ii) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Amalco**" means the corporation resulting from the Amalgamation.

"**Amalgamation**" means the amalgamation of WeedMD and Newco pursuant to the Amalgamation Agreement.

"**Amalgamation Agreement**" means the amalgamation agreement to be entered into between WeedMD and Newco.

"**Associate**" when used to indicate a relationship with a Person, means:

(a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the Person;

(c) any trust or estate in which a Person has a substantial beneficial interest or in respect of which an individual or company serves as trustee or in a similar capacity;

(d) in the case of a Person that is an individual:

(i) that Person's spouse or child; or

(ii) any relative of that Person or of his spouse who has the same residence as that individual;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Audit Committee**" means the audit committee of the Board.

"**Board**" means the board of directors of the Company.

"**Brokered Private Placement**" means the private placement of 7,600 WeedMD Units completed by WeedMD on November 8, 2016 at a price of $1,000 per WeedMD Unit for aggregate gross proceeds of $7,600,000.

"**Capital Pool Company**" or "**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(c) in regard to which the completion of a Qualifying Transaction has not yet occurred.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time, the regulations and policies thereunder and any replacement legislation.

"**CBD**" means cannabinoid.

"**CDSA**" means the Controlled Drugs and Substances Act (Canada).

"**Closing**" means the closing of the Transaction.

"**Closing Date**" means the day that the Transaction occurs, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein, and including specifically the approval of the Exchange for the Transaction to be the Qualifying Transaction of ACC and all conditions contained in this Agreement shall be met or waived.

"**Company**" or "**Aumento** " means Aumento Capital V Corporation, a company formed under the OBCA.

"**Completion of the Transaction**" or "**Completion of the Qualifying Transaction**" means the date that the Final Exchange Bulletin is issued by the Exchange.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CPC Escrow Agreement**" means the Escrow Agreement dated October 3, 2014 among the Company, Equity Financial Trust Company and certain securityholders of the Company, in the form of Exchange Form 2F – CPC Escrow Agreement.

"**CPC Escrow Shares**" means the 833,332 ACC Shares held in escrow pursuant to the CPC Escrow Agreement.

"**CPC Policy**" means Policy 2.4 of the Exchange Corporate Finance Manual entitled "*Capital Pool Companies*".

"**Early Expiry Date**" means 30 days following the date the Resulting Issuer provides the Early Expiry Notice to holders of the Resulting Issuer Warrants.

"**Early Expiry Event**" means the occurrence, at any time, following the Listing Date, of the volume weighted average trading price of the Resulting Issuer Shares on the Exchange being equal to or greater than $1.50 per Resulting Issuer Share for a period of 20 consecutive trading days.

"**Early Expiry Notice**" means a written notice which may be sent by the Resulting Issuer advising the holders of Resulting Issuer Warrants of an Early Expiry Event, such notice to be sent within five (5) Business Days following such Early Expiry Event.

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

"**Exchange**" or "**TSXV**" means TSX Venture Exchange Inc.

"**Facility**" means the 25,000 square foot, scalable, advanced production facility in Aylmer, Ontario, which is leased by WeedMD for the purpose of producing medical cannabis pursuant to the ACMPR License.

"**Filing Statement**" means this filing statement of the Company dated March 31, 2017 filed with the Exchange pursuant to the Exchange requirements.

"**Final Exchange Bulletin**" means the bulletin issued by the Exchange following Completion of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.

"**IFRS**" means the International Financial Reporting Standards set by the International Accounting Standard Board which are applicable on the date on which any calculation is to be effective or the date of any financial statements referred to herein, as the case may be.

"**Initial Public Offering**" means the offering of 1,015,000 ACC Shares pursuant to the final prospectus of the Company dated October 3, 2014.

"**Insider**" when used in relation to the Company, means:

(a) a director or senior officer of the Company;

(b) a director or senior officer of a company that is an Insider or subsidiary of the Company;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company; or

(d) the Company itself if it holds any of its own securities.

"**Lease Agreement**" means the lease dated March 11, 2014 between Aylmer Business Trust by its corporate trustee 4248732 Canada Inc. operating as Elgin Innovation Centre and WeedMD with respect to the Facility.

"**Listing Date**" means the date on which the Resulting Issuer Shares commence trading on the Exchange.

"**MMPR**" means the *Marihuana for Medical Purposes Regulations* (Canada), repealed and replaced with the ACMPR.

"**Name Change**" means the filing of articles of amendment to change to the name of the Company to "WeedMD Rx Corp." or such other name as WeedMD may direct in writing and shall be acceptable to applicable regulatory authorities.

"**Newco**" means 10124184 Canada Inc.

"**Non-Arm's Length Party**" means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"**Non-Arm's Length Parties to the Qualifying Transaction**" means any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"**Non-Arm's Length Qualifying Transaction**" means a Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the Qualifying Transaction.

"**Non-Brokered Private Placement**" means the private placement of an aggregate of 1,659,989 WeedMD Shares completed by WeedMD on May 30, 2016 and September 19, 2016 at a price of $0.75 per WeedMD Share for aggregate gross proceeds of $1,244,991.75.

"**OBCA**" means the *Business Corporations Act* (Ontario) as amended from time to time, the regulations and policies thereunder and any replacement legislation.

"**Person**" means a company or individual.

"**Principal**" means a person who, upon completion of a Qualifying Transaction, will be:

(a) a promoter of the Resulting Issuer;

(b) a director or senior officer of the Resulting Issuer or of a material operating subsidiary of the Resulting Issuer;

(c) a Person that beneficially owns, directly or indirectly, has control or direction over, or has a combination of direct or indirect beneficial ownership of and control or direction over, securities of the Resulting Issuer carrying more than 20% of the voting rights attached to all of the outstanding voting securities of the Resulting Issuer;

(d) a person or company that beneficially owns, directly or indirectly, has control or direction over, or has a combination of direct or indirect beneficial ownership of and control or direction over, securities of the Resulting Issuer carrying more than 10% of the voting rights attached to all of the outstanding voting securities of the Resulting Issuer, and:

  (i) has appointed or elected, or has the right to appoint or elect, a director or senior officer of the Resulting Issuer; or

  (ii) one or more directors or senior officers of the Resulting Issuer is also a director or officer of, or beneficially owns, directly or indirectly or has control or direction over, or has a combination of direct or indirect beneficial ownership of and control or direction over, securities of that person or company carrying more than 10% of the voting rights attached to all of the outstanding voting securities of that person or company; or

(e) a company 20% or more of the voting rights attached to all of the outstanding voting securities of which are beneficially owned, directly or indirectly, by any one of the persons or companies referred to in clauses (a) through (d), or over which one or more of the persons or companies referred to in clauses (a) through (d) has or have control or direction (or a combination of beneficial ownership and control or direction); or

(f) an Associate of a person or company referred to in clauses (a) through (e).

"**Qualifying Transaction**" means a transaction where a Capital Pool Company acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

"**Resulting Issuer**" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin. In the case of the Company, the Resulting Issuer will be the Company as it exists upon the Completion of the Transaction.

"**Resulting Issuer Compensation Options**" means the options to purchase Resulting Issuer Shares and Resulting Issuer Warrants to be issued by the Resulting Issuer to the holders of WeedMD Compensation Options in exchange for the WeedMD Compensation Options.

"**Resulting Issuer Stock Options**" means the incentive stock options of the Resulting Issuer granted pursuant to the Stock Option Plan, each of which entitles the holder thereof to acquire one Resulting Issuer Share as well as the Resulting Issuer options exchanged for the WeedMD Stock Options**.**

"**Resulting Issuer Securities**" means the Resulting Issuer Stock Options, Resulting Issuer Compensation Options, the Resulting Issuer Shares and the Resulting Issuer Warrants.

"**Resulting Issuer Shares**" means the common shares of the Resulting Issuer.

"**Resulting Issuer Warrants**" means the warrants to purchase Resulting Issuer Shares to be issued by the Resulting Issuer in exchange for the WeedMD Warrants which remain issued and outstanding on Closing.

"**Sales License**" means an amendment to the ACMPR License to include sales directly to patients under the ACMPR.

"**Share Exchange Ratio**" shall mean 1.25 ACC Shares for each WeedMD Share.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any concurrent transactions, would result in the Capital Pool Company meeting the minimum listing requirements of the Exchange.

"**Sponsor**" has the meaning ascribed in Exchange Policy 2.2 *"Sponsorship and Sponsorship Requirements"*.

"**Stock Option Plan**" means the stock option plan of the Company.

"**Target Company**" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction and, for the purposes of this Filing Statement, means WeedMD.

"**THC**" means Tetrahydrocannabinol.

"**Time of Closing**" means such time on the Closing Date as the parties hereto agree.

"**Transaction**" means the Name Change, the Amalgamation and the exchange of the WeedMD Securities for Resulting Issuer Securities.

"**Value Security Escrow Agreement**" means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain Principals of the Resulting Issuer prior to the Completion of the Transaction.

"**WeedMD**" means WeedMD Rx Inc., a company formed under the CBCA.

"**WeedMD Board**" means the board of directors of WeedMD.

"**WeedMD Compensation Options**" means the 352,000 agent compensation options issued to the Agents on closing of the Brokered Private Placement. Each WeedMD Compensation Option will entitle the holder thereof to purchase one unit of WeedMD at an exercise price of $0.75 for a period of two years following the Completion of the Transaction, with each unit being comprised of one WeedMD Share and one WeedMD Warrant.

"**WeedMD Compensation Shares**" means the aggregate of 900,000 WeedMD Shares that are issuable to certain consultants of WeedMD upon WeedMD receiving the Sales License.

"**WeedMD Securities**" means, collectively, the WeedMD Shares, WeedMD Stock Options, WeedMD Warrants and the WeedMD Compensation Options and "**WeedMD Security**" means any such security.

"**WeedMD Securityholders**" means collectively, the holders of WeedMD Securities and "**WeedMD Securityholder**" means any one of them.

"**WeedMD Shareholders**" means the holders of WeedMD Shares and "**WeedMD Shareholder**" means any one of them.

"**WeedMD Shares**" means all of the shares in the capital of WeedMD outstanding at the Time of Closing.

"**WeedMD Stock Options**" means stock options of WeedMD, each of which entitles the holder thereof to acquire one WeedMD Share.

"**WeedMD Units**" means the units sold by WeedMD in connection with the Brokered Private Placement with each WeedMD Unit being comprised of (i) one senior unsecured convertible debenture with a principal amount of $1,000 (the "**WeedMD Debentures**"), and (ii) 1,333 WeedMD Warrants.

"**WeedMD Warrants**" means the common share purchase warrants of WeedMD, each WeedMD Warrant exercisable into a WeedMD Share at an exercise price of $1.00 per share until the earlier of (i) 24 months following the Completion of the Transaction, and (ii) the Early Expiry Date.

CURRENCY

Unless otherwise specified or the context otherwise requires, all references to "$" or "C$" are to Canadian dollars.

MEANING OF CERTAIN REFERENCES

As used in this Filing Statement, unless the context otherwise indicates, the terms "ACC", "Company", "we", "us" and "our" mean Aumento Capital V Corporation.

Statistical information and other data relating to the medical cannabis industry and the cannabis industry in general included in this Prospectus are derived from industry reports published by industry analysts, industry associations and/or independent consulting and data compilation organizations. Market data and industry forecasts used throughout this Prospectus were obtained from various publicly available sources. Although we believe that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

For an explanation of certain technical terms and abbreviations used in this Filing Statement and not otherwise defined, see the "*Glossary*".

NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect beliefs of management of the Company or WeedMD and are based on information currently available to management of the Company or WeedMD.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, WeedMD or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the Transaction; (B) the description of the Company that assumes Completion of the Transaction; and (C) the intention to grow the business and operations of WeedMD. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Company or WeedMD to obtain necessary financing; the economy generally; and anticipated and unanticipated costs. These forward-looking statements should not be relied upon as representing the Company's or WeedMD's views as of any date subsequent to the date of this Filing Statement. Although the Company and WeedMD have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted under "*Information Concerning the Resulting Issuer – Risk Factors*" in this Filing Statement. The forward-looking statements contained in this Filing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Filing Statement are made as of the date of this Filing Statement and neither the Company nor

WeedMD undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

AUMENTO CAPITAL V CORPORATION.

SUMMARY OF FILING STATEMENT

(as at March 31, 2017, except as otherwise indicated)

The following is a summary of information relating to the Company, WeedMD and the Resulting Issuer (assuming the Completion of the Transaction), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Principal Terms of the Transaction

The following summary is subject to the detailed provisions of the Acquisition Agreement and is qualified in its entirety by reference to the Acquisition Agreement which is available under the Company's profile on SEDAR at www.sedar.com.

On March 2, 2017, the Company entered into the Acquisition Agreement, pursuant to which the parties have agreed to complete the Transaction on the terms set out therein. The Transaction will involve the amalgamation of WeedMD and NewCo, a wholly-owned subsidiary of the Company and the exchange of WeedMD Securities for Resulting Issuer Securities based on the Share Exchange Ratio. The Company will issue 58,577,383 Resulting Issuer Shares at a deemed issue price of $0.60 per Resulting Issuer Share. In addition, the Company will issue 14,888,486 Resulting Issuer Warrants and 440,000 Resulting Issuer Compensation Options.

For further information on the proposed Transaction, see "*Information Concerning the Company – Principal Terms of the Transaction*" below.

Information Concerning WeedMD

WeedMD is a licensed producer of medical cannabis under the ACMPR and operates the Facility, a 25,000 square foot, scalable, advanced production facility in Aylmer, Ontario. WeedMD is focused on producing small-batch, high-grade, condition-specific cannabis products for patients throughout Canada. WeedMD is dedicated to educating healthcare practitioners, providing consistent access and education for high quality medication, and furthering the public's understanding of how cannabis is used for medical purposes.

For further information regarding WeedMD, see "*Information Concerning WeedMD*" below.

Not a Non-Arm's Length Qualifying Transaction

The Transaction is not a Non-Arm's Length Qualifying Transaction.

Interests of Insiders, Promoters or Control Persons of the Company

Except as otherwise stated herein, none of the Insiders, promoters or Control Persons of the Company or any of their respective Associates and Affiliates (before and after giving effect to the Transaction) have any interest in the Transaction, other than that which arises from their holding of ACC Shares.

In connection with the proposed Transaction, the Company will incur legal fees with respect to legal services provided by a law firm whose partner is a director of the Company.

Estimated Available Funds and Proposed Principal Uses Thereof

As at February 28, 2017, WeedMD had estimated working capital of $6,000,000 (including HST receivable of approximately $150,000) and the Company had estimated working capital of $500,000. The Resulting Issuer will have approximately $6,500,000 available upon Completion of the Transaction.

Principal Purposes of Funds

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Item	Approximate Amount ($)
Selling, General and Administrative Expenses	1,852,000
Facility Expenses	1,080,000
Repairs and Maintenance	360,000
Total Direct Labour	1,080,000
Grow Room Expansion	250,000
Oil Extraction Laboratory	500,000
Website and Portal Development	90,000
Unallocated Working Capital	1,288,000
Total	6,500,000

Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

Selected Pro Forma Consolidated Financial Information

The following table sets out select *pro forma* consolidated financial information of the Resulting Issuer as at December 31, 2016 on a consolidated basis, expressed in Canadian dollars, based on the *pro forma* consolidated financial statements contained in this Filing Statement, after giving effect to the Transaction. This table should be read in conjunction with the Company's *pro forma* financial statements attached hereto as Schedule "E".

Designation of Security	Amount Authorized or to be Authorized	Amounts after giving effect to the Transaction(1)
Resulting Issuer Shares	Unlimited	60,517,065(2)
Resulting Issuer Compensation Options	N/A	440,000
Resulting Issuer Stock Options	10% of the issued and outstanding Resulting Issuer Shares	3,497,332

Resulting Issuer Warrants	N/A	14,888,486
Long-term Debt	N/A	Nil
Total Assets	N/A	10,544,430
Total Liabilities	N/A	850,541
Total Shareholders' Equity	N/A	9,693,889

Notes:
(1) Certain of these Resulting Issuer Securities will be held in escrow after the Completion of the Transaction (*See "Information Concerning the Resulting Issuer – Escrowed Securities"*).
(2) Includes: (i) the 1,939,682 ACC Shares of the Company outstanding prior to Completion of the Transaction and (ii) the 58,577,383 Resulting Issuer Shares to be issued in exchange for the WeedMD Shares (including, for greater certainty, the 10,133,333 WeedMD Shares to be issued upon conversion of the WeedMD Debentures). In addition, (i) up to 3,497,332 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Stock Options (*See "Information Concerning the Resulting Issuer – Options to Purchase Securities"*), (ii) up to 14,888,486 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Warrants, (iii) up to 1,125,000 Resulting Issuer Shares will be reserved for issuance pursuant to the issuance of the Resulting Issuer Shares in relation to the WeedMD Compensation Shares and (iv) up to 880,000 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Compensation Options (including the underlying shares and warrants to be issued).
(3) The pro forma retained earnings (deficit) of the Resulting Issuer as at December 31, 2016 is ($9,852,117).

Company's Listing on the Exchange

The outstanding ACC Shares are listed on the Exchange under the trading symbol "AMN.P". Pursuant to the policies of the Exchange, trading in the ACC Shares was halted effective November 21, 2016 and has not yet resumed.

No public market exists for the WeedMD Securities.

Market Price of the ACC Shares

On November 8, 2016, the Company issued a press release announcing the proposed Transaction. Pursuant to the policies of the Exchange, trading in the ACC Shares was halted on November 21, 2016 and has not yet resumed. The last trade of the ACC Shares prior to the trading halt (which trade occurred on September 27, 2016) was $0.35 per ACC Share. Trading of the ACC Shares will remain halted until Completion of the Transaction.

Sponsorship

WeedMD has entered into a letter agreement dated November 8, 2016 with Dundee Securities Ltd. whereby it has agreed to act as sponsor in connection with the Transaction. In consideration of the services to be rendered by Eight Capital (successor to Dundee Securities Ltd.) in connection with the sponsorship, WeedMD has agreed to pay Eight Capital a fee of $70,000 (plus applicable taxes), which fee shall be payable upon delivery of the sponsorship letter to the Exchange. The Sponsorship Fee shall be payable in cash and/or WeedMD Shares (at a deemed price of $0.75), at the election of Eight Capital.

Conditional Listing Approval

The Exchange has conditionally accepted the Qualifying Transaction, subject to the Company fulfilling all of the requirements of the Exchange on or before June 30, 2017.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the Completion of the Transaction or who may be considered promoters of the Resulting Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of its knowledge, the Company is not aware of the existence of any conflicts of interest between the Company and any of its directors and officers as of the date of this Filing Statement. To the best of its knowledge, WeedMD is not aware of the existence of any conflicts of interest between WeedMD and any of its directors and officers as of the date of this Filing Statement. The ACC Shareholders must appreciate that they will be required to rely on the judgment and good faith of its directors and officers, as well as on the judgment and good faith of the directors and officers of WeedMD, in resolving any conflicts of interest that may arise.

Interests of Experts

To the knowledge of ACC and WeedMD, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company, WeedMD, the Resulting Issuer or an Associate or Affiliate of the foregoing.

Risk Factors

There are inherent risks in the business of the Resulting Issuer. The Transaction must be considered speculative due to the nature of the business of the Resulting Issuer, and its relatively formative stage of development. The ACC Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Resulting Issuer. There is no guarantee that the Resulting Issuer will be able to secure future financing to meet its future needs on reasonable terms. The business of the Resulting Issuer will be subject to risks and hazards related to the Company and WeedMD, some of which are beyond its control.

Risk factors include but are not limited to: reliance on licensing, regulatory risks, its limited operating history and uncertainty of future revenues, competition, dependence on key executives, reliance on the Facility, history of net losses, further funding requirements, product liability, product recalls, insurance and uninsured risks, the early stage of the medical cannabis industry, management of growth, proprietary protection, conflicts of interest, risks inherent in an agricultural business, environmental regulation and risks, unfavourable publicity or consumer perception, share price volatility, transportation disruptions, its vulnerability to rising energy costs, reliance on key inputs, dependence on suppliers and skilled labour, difficulty to forecast, the need to attract and retain qualified personnel, litigation, dividends, and the limited market for its securities.

For a complete discussion of the risks associated with the Resulting Issuer and the Completion of the Transaction, see "*Information Concerning the Resulting Issuer – Risk Factors*".

INFORMATION CONCERNING THE COMPANY

Corporate Structure

Name and Incorporation

The full corporate name of the Company is Aumento Capital V Corporation. The Company was incorporated pursuant to articles of incorporation dated July 16, 2014 under the OBCA. The principal and registered office of the Company is located at 320 Bay St, Suite 1600, Toronto, ON M5H 4A6.

General Development Of The Business

The Company is a CPC, which completed its Initial Public Offering on November 13, 2014 by way of a prospectus dated October 3, 2014. The Company sold 1,015,000 ACC Shares at a price of $0.60 per ACC Share pursuant to such prospectus, raising gross proceeds of $609,000.

On November 4, 2016, the Company and WeedMD entered into an arm's length binding letter agreement pursuant to which the parties agreed to effect a business combination of the Company and WeedMD. On March 2, 2017, the Company entered into the definitive Acquisition Agreement with respect to completing the Transaction. For further information on the proposed Transaction, see "*Information Concerning the Company – Principal Terms of the Transaction*" below.

On February 28, 2016, the Company announced that the Exchange accepted the Company's application to extend the period by which it has to complete a Qualifying Transaction. As a result, the Company has until August 22, 2017 to complete a Qualifying Transaction or its listing will be transferred to the NEX and 50% of the seed shares of the Corporation held in escrow in accordance with Exchange Policy 2.4, will be cancelled.

The outstanding ACC Shares are listed on the Exchange under the trading symbol "AMN.P".

The Company's principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. The Transaction is will be the Company's Qualifying Transaction.

Principal Terms of the Transaction

The Transaction will involve the amalgamation of WeedMD with NewCo, a wholly-owned subsidiary of the Company. Pursuant to the Acquisition Agreement, the Company will issue Resulting Issuer Shares, Resulting Issuer Warrants, Resulting Issuer Stock Options and Resulting Issuer Compensation Options in exchange for the delivery of the WeedMD Shares, WeedMD Warrants, WeedMD Stock Options and WeedMD Compensation Options, respectively. The aggregate number of Resulting Issuer Shares, Resulting Issuer Warrants, Resulting Issuer Stock Options and Resulting Issuer Compensation Options to be issued in exchange for the issued and outstanding WeedMD Shares, WeedMD Warrants, WeedMD Stock Options and WeedMD Compensation Options shall be determined by multiplying the relevant number of WeedMD Securities issued and outstanding at the time of Closing by the Share Exchange Ratio. In addition, if the WeedMD Compensation Shares have not been issued by WeedMD as of the Closing Date, the Resulting Issuer has agreed that it is contractually obligated to issue Resulting Issuer Shares on the same terms subject to appropriate adjustments proportional to the Share Exchange Ratio.

Thus, an aggregate of 58,577,383 Resulting Issuer Shares, 14,888,486 Resulting Issuer Warrants, 3,312,500 Resulting Issuer Stock Options and 440,000 Resulting Issuer Compensation Options will be issued in exchange for the WeedMD Shares, WeedMD Warrants, WeedMD Stock Options and WeedMD Compensation Options. See "*Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital*" for details with respect to the WeedMD Securities being exchanged for Resulting Issuer Securities.

There are currently 36,728,573 WeedMD Shares, 10,130,800 WeedMD Warrants, 2,650,000 WeedMD Stock Options and 352,000 WeedMD Compensation Options and an aggregate principal amount of $7,600,000 WeedMD Debentures issued and outstanding. Immediately prior to Completion of the Transaction, the WeedMD Debentures will be converted into a total of 10,133,333 WeedMD Shares.

In addition, WeedMD has determined that, immediately prior to the Completion of the Transaction, it will issue WeedMD Warrants to the subscribers under the Non-Brokered Private Placement, bearing the same terms as the WeedMD Warrants issued under the Brokered Private Placement. The aggregate number of WeedMD Warrants to be issued is 1,779,989.

There are currently a total of 1,939,682 ACC Shares and 184,832 ACC Options issued and outstanding. Prior to the Completion of the Transaction. In addition, it is expected that prior to the Completion of the Transaction, the Company will change its name to "WeedMD Rx Corp." The Name Change was approved by the special resolution of the ACC Shareholders at the annual and special meeting of the ACC Shareholders held on January 23, 2017.

Selected Consolidated Financial Information And Management's Discussion And Analysis

Selected Information

The following table presents selected financial information of the Company for the periods indicated. This table should be read in conjunction with the audited financial statements for the years ended December 31, 2016 and 2015 and the respective notes thereto, which are set forth in Schedule "A" to this Filing Statement. This table contains financial information derived from financial statements that have been prepared in accordance with IFRS.

The following information is taken from and should be read in conjunction with the Company Financial Statements and related notes thereto attached hereto as Schedule "A" and "Management's Discussion and Analysis of the Financial Condition and Results of Operations" included at Schedule "B" to this Filing Statement.

	Year Ended December 31, 2016 (audited)	**Year Ended December 31, 2015 (audited)**
Net loss and comprehensive loss for the period	98,402	32,779

Management Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations of the Company for the years ended December 31, 2016 and 2015 are attached to this Filing Statement as Schedule "B". The management's discussion and analysis should be read in conjunction with the financial statements and the accompanying notes thereto attached to this Filing Statement as Schedule "A".

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward Looking Information*" above.

Description Of the Securities

The Company is authorized to issue an unlimited number of ACC Shares, of which 1,939,682 ACC Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

ACC Shares

The holders of ACC Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each ACC Share held at such meetings. The holders of ACC Shares are entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of ACC Shares are entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with the holders of ACC Shares.

Stock Option Plan

The Company maintains the Stock Option Plan for directors, officers, employees and consultants of the Company and its subsidiaries, which was established on September 30, 2014.

The purpose of the Stock Option Plan is to add incentive and to provide consideration for effective services of full and part-time employees, full and part-time officers and directors of the Company, and persons performing special technical or other services to the Company and its subsidiaries.

The number of ACC Shares, the exercise price per ACC Share, the vesting period and any other terms and conditions of options granted pursuant to the Stock Option Plan, from time to time, are determined by the Board at the time of the grant, subject to the defined parameters of the Stock Option Plan.

The Stock Option Plan is administered by the Board. Participation is limited to directors, full and part-time officers, full and part-time employees and consultants providing services to the Company. The exercise price of any option cannot be less than the discounted market price of the ACC Shares at the time the option is granted. Market price is deemed to be the closing price as reported on the principal stock exchange or over-the-counter market on which the common shares are listed or quoted, on the last trading day immediately preceding the day upon which the option is granted. The exercise period cannot exceed ten years. Options will terminate on the date of expiration specified, 90 days after a participant ceases to be eligible (or 30 days if the recipient is involved in investor relations activities), or one (1) year after the date of death.

The Stock Option Plan allows for the issuance of stock options on a "rolling" basis whereby up to a maximum of 10% of the issued and outstanding ACC Shares may be reserved for granting under the Stock Option Plan with no vesting provisions. The maximum number of ACC Shares reserved for issuance to any individual officer or director shall not exceed five per cent (5%) of the issued and outstanding ACC Shares and to any technical consultant shall not exceed two percent (2%) of the issued and outstanding ACC

Shares, in each case subject to adjustment of such number pursuant to the provisions contained in the Stock Option Plan related to share capital readjustments.

Prior Sales Of Securities

Since the date of incorporation, 1,939,682 ACC Shares have been sold as follows:

Date	Number of Shares	Issue Price per Share ($)	Aggregate Issue Price ($)	Nature of Consideration Received
July 16, 2014	1[(1)]	1.00	1.00	Cash
August 13, 2014	833,332[(2)]	0.30	250,000	Cash
November 13, 2014	1,015,000[(3)]	0.60	609,000	Cash
November 14, 2016	91,350[(4)]	0.60	54,810	Cash
Total	**1,939,682**		913,810	

Notes:
(1) Single ACC Share issued on incorporation to Paul Pathak and returned for cancellation on August 13, 2014.
(2) All of these ACC Shares have been placed in escrow pursuant to the CPC Escrow Agreement.
(3) ACC Shares issued pursuant to Initial Public Offering. None of these ACC Shares were sold to Related Parties to the Company.
(4) 101,500 compensation options were issued to Canaccord Genuity Corp., the agent for the Initial Public Offering and 91,350 of these options were exercised; the balance of these options have expired.

Stock Exchange Price

On November 8, 2016, the Company issued a press release announcing the proposed Transaction. Pursuant to the policies of the Exchange, trading in the ACC Shares was halted on November 21, 2016 and has not yet resumed. The last trade of the ACC Shares prior to the trading halt (which trade occurred on September 27, 2016) was $0.35 per ACC Share. Trading of the ACC Shares will remain halted until Completion of the Transaction.

The following table sets forth the high and low sales prices and trading volumes of board lots of ACC Shares as reported by the Exchange from April 1, 2015 to March 31, 2017:

Period	High	Low	Volume
Month Ended March 30, 2017	-	-	-
Month Ended February 28, 2017	-	-	-
Month Ended January 31, 2017	-	-	-
Quarter Ended December 31, 2016[(1)]	0.35	0.35	-
Quarter Ended September 30, 2016	0.35	0.26	25,000
Quarter Ended June 30, 2016	0.40	0.26	45,000
Quarter Ended March 31, 2016	0.5	0.3	20,000
Quarter Ended December 31, 2015	-	-	-
Quarter Ended September 30, 2015	0.60	0.60	15,000
Quarter Ended June 30, 2015	0.65	0.6	10,000

Note:

(1) Trading of the ACC Shares was halted on November 21, 2016 following the announcement of the Transaction.

Arm's Length Transaction

The proposed Transaction is not a Non-Arm's Length Qualifying Transaction.

Legal Proceedings

The Company has not been, and is not presently involved in, any legal proceedings material to it and insofar as it is aware, no such proceedings are contemplated.

Auditor, Transfer Agent And Registrar

The Company's current auditors are Grant Thornton LLP, Chartered Accountants, 200 King Street West, 11th Floor, Toronto, ON M5H 3T4.

The Company's current transfer agent and registrar is TSX Trust Company, 200 University Avenue, Suite 300, Toronto ON M5H 4H1.

Material Contracts

The Company has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

- CPC Escrow Agreement; and
- Acquisition Agreement.

Copies of these material contracts will be available for inspection without charge at the registered office of the Company at 320 Bay St, Suite 1600, Toronto, ON M5H 4A6 during ordinary business hours from the date hereof until the Completion of the Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING WEEDMD

Corporate Structure

Name and Incorporation

WeedMD Rx Inc. is a private company incorporated under the CBCA on March 26, 2013. The head office of WeedMD is located at 250 Elm Street, Aylmer, ON N5H 2M8 and the registered office of WeedMD is located at 250 Elm Street, Aylmer, ON N5H 2M8.

Intercorporate Relationships

WeedMD has two wholly-owned subsidiaries: WMD Ventures Inc., which was incorporated under the CBCA on July 31, 2014, and WeedMD Rx Ltd., which was incorporated on June 16, 2005 under the OBCA.

General Development Of The Business

WeedMD is committed to providing a premium medical cannabis product and service that exceeds all regulatory requirements and patient expectations. WeedMD is a licensed producer of medical cannabis under the ACMPR. It has leased and retrofitted a 25,000 sq. ft. building into a scalable medical grade production facility with expected capacity of over 1,000 kg of medical cannabis per year. The maximum quantity of marihuana plants and of dried marihuana permitted to be produced at the Facility during the ACMPR License validity period is currently 500 kg. WeedMD is committed to providing innovative ways to enrich the lives of patients through an integrative medicine approach. It intends to provide education to patients and continually work to find ways for patients to improve their quality of life through the use of medical cannabis. Furthermore, WeedMD intends to produce a high quality and a variety of medicinal strains for its valued patients.

History

In 2014, WeedMD completed two private placements. The first private placement at an issue price of $0.50 per share closed on February 10, 2014 (1,650,000 WeedMD Shares) and April 2, 2014 (4,517,000 WeedMD Shares), resulting in aggregate gross proceeds of $3,083,500. The second private placement at an issue price of $0.60 per share closed on July 9, 2014 (3,333,333 WeedMD Shares) and August 12, 2014 (1,993,332 WeedMD Shares), resulting in aggregate gross proceeds of $3,195,999.

On April 22, 2016, WeedMD received the ACMPR License. After receipt of this license, it commissioned the Facility and began cultivating a broad spectrum of genetics in June 2016. For more information regarding the Facility, see "*Information Concerning WeedMD – Operations – Facility*" below. The next couple of months were spent nurturing and cloning out its strains.

On May 30, 2016 and September 19, 2016, WeedMD completed the Non-Brokered Private Placement, pursuant to which an aggregate of 1,659,989 WeedMD Shares were issued for $0.75 per WeedMD Share. In addition, WeedMD has determined that it will issue WeedMD Warrants to the subscribers under the Non-Brokered Private Placement, bearing the same terms as the WeedMD Warrants issued under the Brokered Private Placement. The aggregate number of WeedMD Warrants to be issued is 1,779,989.

On November 8, 2016, WeedMD completed the Brokered Private Placement pursuant to which an aggregate principal amount of $7,600,000 WeedMD Debentures and 10,130,800 WeedMD Warrants were issued for aggregate gross proceeds of $7,600,000. For more information regarding the WeedMD Debentures and WeedMD Warrants, see *"Information Concerning WeedMD – Description of Securities - WeedMD Debentures & WeedMD Warrants"*. In addition, 352,000 WeedMD Compensation Options were issued to the agents with respect to the Brokered Private Placement. For more information regarding the WeedMD Compensation Options, see *"Information Concerning WeedMD – Description of Securities - WeedMD Compensation Options"*.

WeedMD is in full commercial production with plants representing over 40 different strains in various stages of growth within the Facility. WeedMD is in the review process for its application to Health Canada to amend its ACMPR License to allow for the sale of medical cannabis. For more information on the status of WeedMD's ACMPR License, see "*Information Concerning WeedMD – Future Developments*".

On March 30, 2017, WeedMD held an annual and special meeting of WeedMD Shareholders at which the WeedMD Shareholders approved, among other things, the Transaction.

Principal Products

WeedMD will market its medical cannabis under several brand names, including WeedMD, with an emphasis on linking strains to medical conditions. WeedMD is currently cultivating a variety of strains of medical cannabis including strains that have significant amounts of CBD and very low amounts of THC which results in products with little to no psychoactivity or "high" associated with them, only the alleviation of medical symptoms. WeedMD has access to a number of strains that address various illnesses. WeedMD is working with medical strains to ensure that it can provide quality medicine for its customers.

Licensing

WeedMD has sought and received its ACMPR License which provides for the cultivation of plants / dried materials. On that basis, WeedMD has begun commercial production of its medical cannabis.

WeedMD has applied for amendments to its ACMPR License to allow WeedMD to (a) sell starting materials to ACMPR Patients who are registered to grow their own medical marihuana and (b) begin fresh / dried oil production.

With respect to the Sales License (an amendment to its ACMPR License to allow for the sale of plants / dried materials), WeedMD has completed the review and inspection process with Health Canada and is currently awaiting the results thereform. Upon WeedMD satisfying any further documentary or other requests of Health Canada, WeedMD expects to receive its Sales License in the second quarter of 2017. There are no mandated timelines in the ACMPR for the license review process.

If and when WeedMD obtains the Sales License to permit the sale of plants / dried materials, this would allow it to sell plants / dried materials and provide the same to:

- a client of WeedMD or an individual who is responsible for the client;
- a hospital employee, if the purpose is in connection with their employment;
- another Licensed Producer;
- a licensed dealer;
- the Minister of Health; or
- a person to whom an exemption relating to the substance has been granted under section 56 of the CDSA.

Method of Distribution

Any dried or fresh cannabis or cannabis oil sold or provided directly to ACMPR Patients must be delivered through secure shipping only and include a means of tracking the package during transit. The only exception to this is that it may also be sold or provided by hospitals, which can purchase directly from licensed producers.

On receipt of the Sales License, the primary means of delivery of fresh and dried cannabis and cannabis oil will be directly from WeedMD to the ACMPR Patient using secure shipping methods such as Canada Post or Purolator as the ACMPR does not allow for store-front or retail distribution centers.

Production

WeedMD, pursuant to the requirements of the ACMPR grows its medical cannabis indoors. The production process begins in the growing area of the Facility, where the flowers are grown until ready for drying. Once the flowers have sufficiently dried, they are packaged and stored and are subject to quality control testing throughout that process.

Drying

Drying and curing is a critical function to ensure product quality and shelf life. This stage requires adequate monitoring because of the scale of WeedMD's operations. Because of the heat sensitivity of terpenes (active ingredients of cannabis), WeedMD has emphasized low-temperature, air drying.

In drying the medical cannabis, WeedMD intends to avoid allowing the flowers to dry too quickly; however, sometimes leaving flowers out to dry does not remove the water from the plant material quickly enough. The longer the flowers take to dry, the higher the chances of mold contamination on the flowers. WeedMD intends to balance these factors with the goal of achieving optimal moisture levels.

WeedMD intends to provide customers with a product having consistent moisture content of between 8% and 10%. In other economic sectors involving biomass, the residual moisture content of biomass is used to amend the price point. In the case of medical cannabis, it is not practical to assess moisture content for every transaction. To maintain constant moisture and to prevent the sublimation of active ingredients, WeedMD will vacuum package its products.

Packaging

On approval of the Sales License and the applicable ACMPR License amendments to allow for the extraction and sale of cannabis oil, fresh and dried cannabis, cannabis oil, and cannabis seeds and plants will be sold or provided in tamper-evident containers or packages. Fresh and dried cannabis and cannabis oil (on approval and receipt of the applicable ACMPR License amendments) will be provided in child-resistant containers. Upon commencement of sales, WeedMD will comply with the prescribed labelling requirements which vary depending on the product type (i.e. fresh and dried cannabis, cannabis oil, cannabis oil in capsule or similar dosage forms, and cannabis plants and seeds).

WeedMD will affix a client-specific label, similar to a patient-specific prescription drug label, to the packaging of its products. This label will contain the name of the client and the authorized health care practitioner who provided the medical document, the daily quantity of dried cannabis and the end of the validity period as indicated on the medical document. The label will also include the shipping date and the anticipated date of delivery to the registered client. WeedMD will also supply a separate duplicate document of this label to send to clients which will be in the form of a Client ID card. Each package of final product sold to a client will also be accompanied by a copy of the most recent version of the Health Canada document entitled "Information on the Use of Cannabis for Medical Purposes". All cannabis products will be securely packed and shipped in containers that will not allow the contents to be identified visually or by odor.

Storage

Storage is a very important aspect of maintaining the integrity and quality of cannabis. The environment needs to be controlled. WeedMD is sensitive to the environmental risks that threaten the product and stores its finished product in a vault with full control over the environment, including heat, light, temperature and humidity. Deterioration is usually a result of dehydration arising from one of these environmental concerns. WeedMD's ability to control aspects of the environment within the storage facility will assist WeedMD in upholding the quality of its products.

Quality Control

WeedMD understands the importance placed upon adhering to the "Good Production Practices" which are mandated by the ACMPR. These practices relate to the premises, storage of dried cannabis, equipment, sanitation program, standard operating procedures, recall of product, and quality assurance personnel. WeedMD currently employs a quality assurance person with appropriate training, experience, and technical knowledge to approve the quality of WeedMD's products.

In accordance with Section 73 of the ACMPR, all of WeedMD's quality control and sanitation procedures have been outlined for all personnel as standard operating procedures. New employees undergo a training program in which they are taught the appropriate implementation of these protocols.

For the purposes of quality control, WeedMD will track each "lot" (a specific genotype of medical cannabis that is initiated for production at one time, either by seed or clonal propagation) using a lot number, which will be used to track lot quality control and once applicable, sales, in WeedMD's tracking software. Furthermore, the lot number will be used in all sales transactions, and as such will serve as an identifier to rapidly initiate recall reporting as outlined in Section 77 of the ACMPR.

During its quality control process, WeedMD will screen and monitor a number of variables in accordance with ACMPR requirements and will use third-party laboratories accredited by Health Canada for portions of this process. Only products that pass the tests in WeedMD's quality control process will be offered for sale.

Final dried cannabis that passes quality control will be sealed in vacuum bags and stored within the vault located at the Facility.

Sanitation

WeedMD has implemented a rigorous process to maintain a sanitary environmental for the growth of its flowers, which includes a sanitation protocol for personnel entry into the growing area, the use of 300 series stainless steel to allow for efficient cleaning and sanitation and regularly scheduled surface and drain sterilization.

Raw Materials and Components

The main raw materials or components used in the production of WeedMD's products are water, fertilizer, growing medium and electricity.

Water for WeedMD's operations is obtained from the municipal water system, but to ensure the potability of the water, the water supply for microbial contamination is tested using a commercial water testing service. If necessary, the water used for cleaning is softened (i.e. calcium and magnesium ion removal) and pH adjusted to ensure the effectiveness of the disinfectant. The price of water is determined by the municipal government.

Operations

For information regarding the method of production of WeedMD's products and the raw materials and components used in its production process, see the section above entitled "*Production*".

Facility

The ACMPR License has been issued with respect to the Facility, which is located at 250 Elm Street, Aylmer, ON, and is a 25,000 sq. ft. facility sitting on a four-acre property leased by WeedMD. The lease has a term of five years with options to renew for three additional five year terms. The Lease Agreement also provides for an option to purchase the property for $1,500,000. The Lease Agreement is in good standing. WeedMD has completed negotiations with two neighbouring properties with respect to options to purchase the respective properties which, once exercised, will increase its total property size to eight acres.

The Facility is located approximately 60 km from London, Ontario. The building is a Steelway Building Systems pre-engineered building and, as such, affords a secure envelope that is resistant to unauthorized access.

WeedMD is developing plans for a scaled build of further production space on this property. WeedMD has determined that the property has clean water and more than sufficient existing power to accommodate expansion. WeedMD is also building out a mothering room, nursery and commercial extraction laboratory within the current Facility.

The building is equipped with an HVAC system that has been outfitted with appropriate filters to ensure no pollen, odors, or other particles escape. Furthermore, the ventilation system ducts, openings and pass-through have been barricaded with welded steel frames to prevent unauthorized access.

Security

WeedMD has limited entry points to the Facility, a perimeter fence, a fence detection system, CCTV cameras and a 24 hour monitored building security system to prevent unauthorized access to the Facility. WeedMD's products, when ready for sale, are stored in a level 10 secured vault which is protected by a security system for intrusion detection and a cage surrounding the vault with its own security features.

Employees

As at September 30, 2016, WeedMD had eight employees located at the Facility.

Intangible Assets

In Canada, WeedMD has a registered design trademark for its logo for WeedMD.com. In addition, WeedMD has applied for a Canadian trademark for the word "WEEDMD". For further information with respect to WeedMD's approach to proprietary protection, see *"Information Concerning the Resulting Issuer – Risk Factors – Proprietary Protection"* below.

Specialized Skill and Knowledge

WeedMD is comprised of a dedicated team of professionals with a broad variety of backgrounds.

Its management team has constructed and operated 18 long-term care facilities. The WeedMD management team contains experts in gerontology and geriatrics and believes medical cannabis to be the next product to provide improved quality of life to seniors. In addition, the WeedMD management team has a Chief Scientific Officer with 30 years of experience in the issues associated with the production and commercialization of natural products.

The relationships of WeedMD's management with the stakeholders in senior care provides WeedMD with the opportunity to educate geriatric professionals and residents and their families about the safe and effective use of cannabis in their treatment. Easy access to geriatric professionals and institutions will enable the dissemination of knowledge of the benefits of medical cannabis and dispelling the myths associated with its use.

Members of the WeedMD management team have been at the forefront of recognizing the health issues of seniors and are therefore in a favourable position to determine the areas that medical cannabis can be utilized to enhance the quality of life of seniors. The literature references numerous uses that can assist in relieving symptoms and chronic conditions prevalent in seniors. Members of the WeedMD management team have seen firsthand how conventional treatments have resulted in side effects and further problems.

Many seniors have multiple diagnoses with areas identified as appropriate for treatment with medical cannabis. Residents in long-term care suffer from chronic pain, migraines, malnutrition, gastrointestinal disorders, arthritis, cancers and a multitude of impairments resulting from wounds, depression, anxiety, and insomnia. In addition, there are few discharges in long-term care as residents spend their remaining days in the home most receiving palliative care with all the care needs of a dying resident. In addition, the treatment needs of long-term care residents are complex requiring new and innovative approaches.

All of these diagnoses and symptoms of seniors should increase the consideration given to the use of cannabis. WeedMD believes it has the expertise and knowledge to assist in increasing the knowledge and use of cannabis as a treatment with positive results for seniors. WeedMD intends for its research to popularize cannabis as the treatment of choice to provide relief of these symptoms and innovative derivatives for improved relief.

Market

Cannabis is a controlled substance in Canada. Only ACMPR Patients may use cannabis, acting as a market control on the industry.

ACMPR Patients who require medical cannabis have different avenues to obtain it pursuant to the ACMPR. ACMPR Patients are required to either purchase medical cannabis from a licensed producer, to produce a limited amount for their own medical purposes or to designate someone to produce it for them.

According to data collected and reported by Health Canada, as of September 30, 2016, there are 98,460 ACMPR Patients who are authorized, on average, to use 2.6 grams of dried medical cannabis per day and are shipped, on average, 0.89 grams of medical cannabis per day (Source: Health Canada, Market Data: Marijuana for Medical Purposes). The number of ACMPR Patients has increased over time as follows:

- As of June 30, 2015 – 23,930
- As of September 30, 2015 – 30,537
- As of December 31, 2015 – 39,668
- As of March 31, 2016 – 53,649
- As of June 30, 2016 – 75,166
- As of September 30, 2016 – 98,460

The number of ACMPR Patients may not represent the total market size of potential purchasers as certain patients that may benefit from the use of medical cannabis may have limited knowledge, access and/or ability to go through the registration process to become an ACMPR Patient. WeedMD intends to focus on the approximately 460,000 patients in long-term care and assisted living facilities.

There is no minimum or maximum price set by Health Canada for the sale of medical cannabis. According to market research conducted by Lift News in August 2016, the minimum price per gram of medical cannabis is $5.00 per gram and as high as $15.00 per gram.

Marketing Plans and Strategies

There is a specific process which WeedMD must undertake with respect to the sale of its medical cannabis. Before selling medical cannabis to an individual, WeedMD must register the ACMPR Patient as a client. In the process of registering a client, it will verify that the supporting authorized health care practitioner is entitled to practice their profession in the province in which the prospective client consulted them and that the practitioner has not been prohibited from prescribing narcotics. WeedMD will also confirm with the office of the authorized health care practitioner that the information in the medical document, including the daily quantity, is correct and complete. This process has shaped WeedMD's marketing plans and strategies.

Branding Strategy

WeedMD is creating a strong brand recognition campaign to ensure that its name is at the forefront of the market with both patients and doctors. WeedMD intends to take a professional, clinical approach and also identify with the patient directly.

Its branding approach will be focused around three key elements: (1) medicinal; (2) science-based and (3) consistency in delivery of quality medicines to patients.

WeedMD is currently looking at partnering with various institutions and organizations to conduct research and development initiatives. It believes that to be successful it will need to be innovative. The industry is still in its infancy and WeedMD views its mandate as the development of strategies and validation of the medicinal benefits of medical cannabis.

WeedMD is dedicated to identifying the most effective strains of medical cannabis for patients suffering with chronic pain as well as many other medical conditions. Its focus is to pursue an evidence based approach to treating patients with medical cannabis by participating in Canadian and international medical cannabis studies. It believes that these research efforts will help to better evaluate the benefits of medical cannabis and allow it to discover and better understand the most effective strains for each medical condition.

WeedMD believes that accessibility to evidence-based science is key to empowering its business, the industry, patients, healthcare providers and public policy. With a commitment to enrich and simplify the lives of patients through innovative ways and means, WeedMD aims to maintain, improve and forge new lines of communication with its stakeholders.

Pricing Strategy

Health Canada does not regulate the price of medical cannabis under the ACMPR. It is up to licensed producers under the ACMPR to set the price of their respective products.

Part of WeedMD's strategy and outreach to patients is to provide the medicine at a consistent cost that patients can rely on. WeedMD intends to win the confidence of its patients and stakeholders by providing a consistent and reliable product while keeping patient economics and affordability in mind.

WeedMD is committed to ensuring that patients who are in need of medical cannabis and are either receiving social assistance or on disability will have access to its products at a reduced rate. It is in the process of structuring a compassionate pricing program to address this issue.

Customer Acquisition and Retention Strategy

WeedMD has accelerated the development of its patient acquisition strategy. This includes several channels including online and through relationships with doctors, clinics, hospitals and other medical groups.

WeedMD is also leveraging its experience and relationships to penetrate new markets. Its management team and directors collectively have over 100 years of experience in the long-term care industry. WeedMD is currently developing a program for this industry that provides a comprehensive service and product offering based on medical cannabis. This program "speaks the language" of this complex industry, focusing on the key performance indicators and quality of life initiatives. WeedMD has engaged stakeholders such as doctor's groups, specialty pharmaceutical companies, and corporate leadership. WeedMD hopes that by providing the right offering through the right channels, it will establish itself as the go-to provider for this segment of the industry.

WeedMD has allocated capital to make strategic investments in medical outreach and education designed to inform healthcare community stakeholders, build brand awareness and attract and retain customers through additional acquisition and retention strategies.

WeedMD also has relationships with the specialty pharmacy groups that provide exclusive pharmacy services to long-term care and retirement services across Canada. It is positioned to educate the seniors sector and expects that there will be a high adoption rate in this demographic, particularly as additional extraction derivatives/delivery methods (i.e. gel caps, transdermal patches, sprays, etc.) are approved by Health Canada.

Outreach Strategy for Doctors

A barrier to entry into the market for patients is the fact that doctors do not currently have enough information on the medicine, as the resources are limited. WeedMD is committed to educate patients and doctors on the new regulation, prescribing, and benefits of use from a continuous, quality, scientifically-focused approach.

WeedMD has an experienced and dedicated group around the seniors' market from the management team and directors. WeedMD believes that there will be a high adoption rate with the seniors' market where that demographic has a high prevalence of many different chronic illness' which may benefit by the administration of medical cannabis, particularly as licensed producers continue to research and develop cannabis derivatives which physicians and patients alike are more comfortable and familiar with (i.e. gel caps, transdermal patches, sprays, topical creams, etc.). WeedMD intends to build out an extraction laboratory within its current facility. This will allow it to create cannabis oils, which based on data released by Health Canada, is a growing segment of the medical cannabis market. Providing medicine in extract form gives comfort to doctors and patients alike, and is a key component to WeedMD's patient acquisition plan.

While WeedMD places a lot of importance on the seniors market, it hopes to function as experts in providing information to all medical specialty areas for which medicinal cannabis has been shown to be beneficial and efficacious for patients. To that end, WeedMD is looking to various specialty areas such as: pain disorders, psychiatric disorders, neurological disorders, cancer/gastrointestinal, and many other areas of treatment.

WeedMD intends to visit trade shows and conferences to connect with and educate doctors about medical cannabis and the strength of WeedMD's products.

Education

Part of WeedMD's marketing strategy is to educate seniors and target health professionals to the safe, efficacious use of medical cannabis in treating the multiple chronic illnesses they often experience. In addition, WeedMD intends to develop research collaborations to validate and improve the medical effects and drug benefits of medical cannabis and discover new derivatives to provide quality of care to seniors and all patients in relieving symptoms associated with their multiple chronic ailments.

Competitive Conditions

As of March 20, 2017 there are 40 licensed producers under the ACMPR. Licenses to become a licensed producer under the ACMPR are available for two types of materials: (a) plants / dried and (b) fresh / oil. With respect to these two types of materials, an entity can become licensed for the following activities: (a) cultivation or production; and (b) sale. Licensed producers can be licensed for both types of materials and both types of activities. In addition, licensed products may sell starting materials to patients who are registered to grow their own medical cannabis. WeedMD's ACMPR License entitles it to cultivate or produce plants / dried medical cannabis.

Upon receipt of the Sales License, WeedMD intends to focus client acquisition on seniors and long-term care facilities as it believes this to be an underserved segment of the market for medical cannabis. While seniors and long-term care facilities may be an underserved portion of the medical cannabis market, although certain licensed producers may be serving or attempting to serve this market.

Research and Development

At inception, WeedMD identified the need to support its operations with research and development in order to ensure the sustainability of the business due to its belief that successful producers will be those with the skills and resources to efficiently and effectively industrialize cannabis production.

Cannabis growers have been refining growth and varieties of cannabis for many years and throughout the world. However, past cultural practices were either implemented in open fields in semi-arid regions of the globe or under tightly controlled growth chambers/environments. Health Canada prohibits the growing cannabis in open air for security reasons. Scaling up to the industrial level requires meticulous engineering, together with research and development to address a plurality of technological risks.

WeedMD's research and development progam will have four phases:

1. Scale up proven past practices - WeedMD intends to conduct systemic analyses to understand and mitigate scale up issues to achieve economical commercial production. Production rates will be tracked in terms of growth area, per kWh used and per plant. WeedMD also intends to monitor the active ingredients concentrations of the products THC and CBD. This data will be used as WeedMD's baseline production data and will be inserted in its enterprise resource planning software.
2. Research to increase plant yields - Once WeedMD has achieved a baseline production rate, it will establish experimental systems on small subplots of its production to investigate the effect of new independent variables in replicated experimental design permitting to perform statistical analyses using parametric statistical tools such as ANOVA.
3. Research to support new understandings and applications of cannabis - For this work, WeedMD intends to team up with internationally recognized laboratories to support its research initiatives.
4. Development of new analytical methodologies for the medical cannabis industry - WeedMD plans to create an internal validation program of new technologies after external validation through

independent Health Canada-accredited laboratories such as Experchem or A&L Canada Laboratories Inc. WeedMD is committed to work with research and educational agencies to continually improve its production and enhance care delivery offering medical cannabis as an alternative approach to care.

Future Developments

WeedMD has applied to Health Canada to amend its ACMPR License to allow for the sale of medical cannabis. For more information on the status of WeedMD's license, see "*Information Concerning WeedMD – Principal Products - Licensing*".

Proprietary Protection

WeedMD intends for the results of its research to either: (a) be published in peer-reviewed journals or (b) protected through intellectual property protection strategies that will vary according to the nature of the intellectual property, for example trade secrets, patents and trademarks.

Risk Factors

For risk factors relating to WeedMD see *"Information Concerning the Resulting Issuer – Risk Factors"* below, which risk factors are equally applicable to WeedMD.

Selected Consolidated Financial Information And Management's Discussion And Analysis

Annual Information

The following table presents selected financial information for WeedMD for the periods indicated. This table should be read in conjunction with the unaudited financial statements of WeedMD for the nine month period ended September 30, 2016, the audited financial statements of WeedMD for the years ended December 31, 2015 and 2014 and the respective notes thereto set forth in Schedule "C" to this Filing Statement and "*Information Concerning WeedMD – Management's Discussion and Analysis*". This table contains financial information, expressed in United States dollars, derived from financial statements that have been prepared in accordance with IFRS.

	Nine Months Ended September 30, 2016 (unaudited)	**Year Ended December 31, 2015 (audited)**	**Year Ended December 31, 2014 (audited)**
Total revenues	Nil	Nil	Nil
Net income (loss)	(1,230,715)	(2,581,425)	(3,015,244)
Total assets	3,107,051	3,095,021	4,681,474
Total long term financial liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

Quarterly Information

WeedMD is currently a private company and did not prepare quarterly financial statements during the period from incorporation on March 23, 2013 to June 30, 2016. Accordingly, no quarterly information is included.

Management's Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations of WeedMD for the nine month period September 30, 2016 and the years ended December 31, 2015 and 2014 is attached to this Filing Statement as Schedule "D". This management's discussion and analysis should be read in conjunction with the financial statements of WeedMD and the accompanying notes thereto attached to this Filing Statement as Schedule "C".

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Note Concerning Forward Looking Statements*" above.

Trends

WeedMD operates in a business environment that is subject to numerous risks, some of which are within WeedMD's ability to manage and some of which are beyond its control. By adhering to its effective business strategies, WeedMD can manage those risks within its control and partially mitigate the risks that are associated with the industry. For a description of the risk factors relating to WeedMD, see the section "*Information Concerning the Resulting Issuer – Risk Factors*" below, which risk factors are equally applicable to WeedMD.

On August 24, 2016, the ACMPR were made effective. Pursuant to the ACMPR, an individual is eligible to produce cannabis for their own medical purposes as a registered person or to have it produced for them by a designated person.

Health Canada created a Task Force on marihuana legalization and on November 30, 2016, the Task Force published its final report which recommended that the federal government of Canada regulate the production of cannabis and its derivatives (e.g. edibles and concentrates) at the federal level. Also, the Task Force recommended that the wholesale distribution of cannabis be regulated by provinces and territories and that retail sales be regulated by the provinces and territories in close collaboration with municipalities.

Description of Securities

The authorized capital of WeedMD consists of an unlimited number of common shares without nominal or par value. As of the date of this Filing Statement, 352,000 WeedMD Compensation Options, an aggregate principal amount of $7,600,000 WeedMD Debentures, 2,650,000 WeedMD Stock Options, 36,728,573 WeedMD Shares and 10,130,800 WeedMD Warrants are issued and outstanding as fully paid and non-assessable.

In addition, WeedMD has agreed to issue the WeedMD Compensation Shares, being an aggregate of 900,000 WeedMD Shares, upon WeedMD receiving the Sales License.

Furthermore, WeedMD has determined that, immediately prior to the Completion of the Transaction, it will issue WeedMD Warrants to the subscribers under the Non-Brokered Private Placement, bearing the same terms as the WeedMD Warrants issued under the Brokered Private Placement. The aggregate number of WeedMD Warrants to be issued is 1,779,989**.**

WeedMD Shares

WeedMD Shareholders are entitled to receive notice of and attend annual and special meetings of the WeedMD Shareholders and to one (1) vote in respect of each WeedMD Share held at all such meetings. The holders of the WeedMD Shares are entitled to receive dividends, as and when declared by the WeedMD Board out of the assets of WeedMD property applicable to the payment of dividends, in such amount and payable at such times and at such place or places in Canada as the WeedMD Board may from time to time determine. The WeedMD Board may in their sole discretion declare dividends on the WeedMD Shares to the exclusion of any other class of WeedMD Shares. In the event of the liquidation, dissolution or winding-up of WeedMD or other distribution of assets or property of WeedMD among its shareholders for the purpose of winding up its affairs, the holders of the WeedMD Shares shall be entitled to receive the remaining property of WeedMD Shares.

WeedMD Debentures & WeedMD Warrants

Each WeedMD Debenture has a term of six months from the closing date of the Brokered Private Placement, May 8, 2017 (the "**Maturity Date**").

Each WeedMD Warrant is exercisable into one WeedMD Share at an exercise price of $1.00 per share (upon Completion of the Transaction, such WeedMD Warrants to be exercisable into Resulting Issuer Warrants at an exercise price as adjusted by the Share Exchange Ratio) for a period of two years from the Completion of the Transaction.

Immediately prior to completion of a liquidity event by WeedMD, including the Completion of the Transaction, the principal amount of the WeedMD Debentures will be automatically convertible into WeedMD Shares at a conversion price of $0.75 per share.

If the Qualifying Transaction has not been completed prior to the Maturity Date, the holders of WeedMD Debentures ("**Debentureholders**") will have the option on maturity to either (i) be repaid the principal amount owing to the Debentureholder plus 10% accrued interest; or (ii) convert the principal plus 10% accrued interest into WeedMD Shares – if a Debentureholder elects to convert the principal amount of the WeedMD Debentures and accrued and unpaid interest into WeedMD Shares, the Debentureholder would receive 1.1 WeedMD Shares (in lieu of one WeedMD Share) and an additional 0.1 WeedMD Warrant for each WeedMD Warrant already held.

WeedMD Stock Options

Each WeedMD Stock Option entitles the holder thereof to purchase one WeedMD Share at exercise prices ranging from $0.75 to $1.00 for a period of 10 years from the date of the grant.

WeedMD Compensation Options

Each WeedMD Compensation Option entitles the holder thereof to purchase one WeedMD Share and one WeedMD Warrant (as adjusted by the Share Exchange Ratio) at an exercise price of $0.75 for a period of two years from the Completion of the Transaction.

Consolidated Capitalization

The following table sets forth WeedMD's share and loan capital for and as of the end of the periods indicated. The information as at September 30, 2016 is derived from the financial statements of WeedMD, which are included in this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of September 30, 2016	Amount outstanding as of February 28, 2017, prior to giving effect to the Transaction
WeedMD Shares	Unlimited	36,408,573(1)	36,728,573(1)
WeedMD Stock Options	2,650,000	Nil	2,650,000
WeedMD Warrants	11,910,789(2)	Nil	11,910,789(2)
WeedMD Debentures	$7,600,000	Nil	$7,600,000
WeedMD Compensation Options	352,000	Nil	352,000

Notes:
(1) In addition, 900,000 WeedMD Compensation Shares are issuable upon WeedMD receiving the Sales License.
(2) Includes the 10,130,800 WeedMD Warrants issued pursuant to the Brokered Private Placement and the 1,779,989 WeedMD Warrants to be issued prior to giving effect to the Transaction in relation to the Non-Brokered Private Placement.

Prior Sales

In the twelve month period preceding the date of this Filing Statement, the following WeedMD Securities have been sold:

Date	Number and Type of WeedMD Securities	Issue Price Per Security ($)	Aggregate Issue Price ($)	Nature of Consideration Received
May 30, 2016, and September 19, 2016	1,659,989 WeedMD Shares(1)	0.75	1,244,991.75	Cash
November 8, 2016	$7,600,000 WeedMD Debentures and 10,130,800 WeedMD Warrants	1,000 per WeedMD Unit	7,600,000	Cash
November 8, 2016	352,000 WeedMD Compensation Options	N/A	N/A	Portion of the commission for the Brokered Private Placement
Total			**8,844,991.75**	

Note:
(1) In addition, WeedMD has determined that it will issue WeedMD Warrants to the subscribers under the Non-Brokered Private Placement, bearing the same terms as the WeedMD Warrants issued under the Brokered Private Placement. The aggregate number of WeedMD Warrants to be issued is 1,779,989.

Stock Exchange Price

There is no public market for any securities of WeedMD.

Executive Compensation

Named Executive Officers

The objective of this disclosure is to communicate the compensation that WeedMD has paid, makes payable, awards, grants, gives or otherwise provides to each NEO (as hereinafter defined), for the years ended December 31, 2014 and 2015 and the nine month period ended September 30, 2016.

A named executive officer (a "**NEO**" or "**Named Executive Officer**") means WeedMD's chief executive officer (the "**CEO**") and the chief financial officer (the "**CFO**"), if any, in addition to each of WeedMD's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year ended December 31, 2015, whose total compensation was, individually, more than $150,000 or who would have qualified as a Named Executive Officer but for the fact that the individual was not serving as such an officer at the end of the most recently completed financial year ended December 31, 2015. In addition, disclosure is required for any director or officer of WeedMD whose salary and bonus during the most recent fiscal year was $150,000 or more, whether or not they were executive officers at the end of the most recently completed financial year. For the fiscal year ended December 31, 2015, WeedMD had two Named Executive Officers, namely Bruce Dawson-Scully and Dr. Luc Duchesne.

Compensation Discussion & Analysis

WeedMD's policies on executive compensation are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of WeedMD's achievements. The overriding principles in establishing executive compensation provide that compensation should reflect:

(a) fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;

(b) recognition and encouragement of leadership, entrepreneurial spirit and team work;

(c) an alignment of the financial interests of the executives with the financial interests of the WeedMD Securityholders;

(d) stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives; and

(e) a contribution to enhancement of shareholder value.

Summary Compensation

The following table sets forth all annual and long term compensation for services in all capacities to WeedMD for the years ended December 31, 2014 and 2015 and the nine month period ended September 30, 2016, in respect of each Named Executive Officer and including any individual who would have qualified as an executive officer but for the fact that the individual was not serving as such an officer at the end of the most recently completed financial period:

Summary Compensation Table

Name and principal position	Period[1]	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			
Bruce Dawson-Scully *Chief Executive Officer & Director*	Sept. 2016	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
	Dec. 2015	4,651	Nil	Nil	Nil	Nil	Nil	15,000[2]	19,651
	Dec. 2014	33,846	Nil	Nil	Nil	Nil	Nil	Nil	33,846
Dr. Luc Duchesne *Chief Scientific Officer & Director*	Sept. 2016	112,500	Nil	Nil	Nil	Nil	Nil	Nil	112,500
	Dec. 2015	5,769	300,000[3]	Nil	Nil	Nil	Nil	Nil	305,769
	Dec. 2014	33,846	Nil	Nil	Nil	Nil	Nil	Nil	33,846

Notes:
(1) Sept. 2016 refers to the nine month period ended September 30, 2016, Dec. 2015 refers to the year ended December 31, 2015 and Dec. 2014 refers to the year ended December 31, 2014.
(2) Consulting fees.
(3) 500,000 WeedMD Shares at a deemed issuance price of $0.60 per share were issued to GSN Dreamworks Inc., which is a corporation beneficially owned or controlled by Dr. Luc C Duchesne. An additional 400,000 WeedMD Shares are issuable to GSN Dreamworks Inc. upon receipt of the Sales License.

Incentive Plan Awards

Outstanding share-based and option-based awards

There were no outstanding share or option-based awards to any NEO as of September 30, 2016.

Incentive plan awards – value vested or earned during the year

No incentive plan awards were earned or vested as during the nine month period ended September 30, 2016. During the year ended December 31, 2015, the following incentive based awards were earned or vested:

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING YEAR			
Name and Principal Position of Named Executive Officer	Option-based awards – Value vested during year ($)	Share-based awards – Value vested during year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Bruce Dawson-Scully *Chief Executive Officer & Director*	Nil	Nil	Nil

Dr. Luc Duchesne *Chief Scientific Officer & Director*	Nil	300,000	Nil

Pension Plan Benefits and Defined Contribution Plans

WeedMD does not offer a pension plan or a defined contribution plan and has no plans to do so.

Director Compensation

There is no formal arrangement for the compensation of directors at this time.

Termination and Change of Control Benefits

There are no contracts, agreements or plans of arrangement that provide for payment to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of WeedMD or a change in an NEO's responsibilities.

Management Contracts

Certain management functions are performed by Keith Merker, the incoming Chief Financial Officer & Corporate Secretary of the Resulting Issuer. In consideration for his services, 2245790 Ontario Ltd. (a company controlled by Mr. Merker) ("**224 Ontario**") was issued 500,000 WeedMD Shares on October 16, 2015. In addition, should WeedMD obtain the Sales License, 224 Ontario will receive 500,000 WeedMD Shares (a portion of the WeedMD Compensation Shares) or the applicable number of Resulting Issuer Shares (subject to the Share Exchange Ratio). For information with respect to the balance of the 400,000 WeedMD Compensation Shares to be issued upon receipt of the Sales License to Dr. Luc C. Duchesne, an officer of WeedMD, see the "*Executive Compensation*" section above.

Mr. Merker has not entered into a formal management contract with WeedMD. In addition, WeedMD paid consulting fees to 224 Ontario in the amounts of $120,000 (plus $20,000 bonus) for the year ended December 31, 2016, $115,000 for the year ended December 31, 2015 and $27,300 for the year ended December 31, 2014.

Non-Arm's Length Party Transactions

Except as disclosed below, the directors and senior officers of WeedMD and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect WeedMD or the Resulting Issuer. See "*Information Concerning WeedMD – Management's Discussion and Analysis*".

As of March 31, 2017, the aggregate indebtedness of all proposed officers, directors and employees of the Resulting Issuer and WeedMD to WeedMD is nil.

Name and principal position	Involvement of Issuer/Target Company/Target Company Subsidiary	Largest Amount Outstanding During Last Completed Financial Year ($)	Amount Outstanding as at March 31, 2017 ($)	Financially Assisted Securities Purchases During Last Completed Financial Year ($)	Security for Indebtedness
Michael Kraft(1), proposed director of the Resulting Issuer	WeedMD as Creditor(2)	200,000	Nil	N/A	Unsecured

Notes:
(1) The debtor was Buckingham Group Limited, a corporation beneficially owned or controlled by Michael Kraft.
(2) On July 7, 2014, pursuant a promissory note agreement, US$175,000 (equivalent to Cdn$186,375) was loaned to an unrelated party. Such promissory note bore interest at 5% per annum and was due upon demand. In 2016, upon an agreement of debt assignment, the balance of Promissory Note 1 was transferred to Buckingham Group Limited.
(3) On October 16, 2014, pursuant a promissory note agreement, $100,000 was loaned to Buckingham Group Limited. An additional $100,000 was loaned to Buckingham Group Limited on February 4, 2015. Such promissory note bore interest at prime per annum +1.5%. The balance of the principal of this promissory note could not at any time not exceed $200,000 and the promissory note was due upon demand.

Legal Proceedings

WeedMD has not been and nor is it presently involved in any legal proceedings material to it and no such proceedings are, to the best of its knowledge, contemplated.

Material Contracts

WeedMD has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than:

- Acquisition Agreement; and
- Agency Agreement.

Copies of these material contracts will be available for inspection without charge at 77 King Street West, Suite 3000, TD Centre North Tower, Toronto, ON M5K 1G8 during ordinary business hours from the date hereof until the closing of the Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

Following the Completion of the Transaction, the Resulting Issuer, formerly identified as the Company, will operate the business of WeedMD.

In conjunction with the Completion of the Transaction, the Company will change its name to "WeedMD Rx Corp." or such other name as WeedMD may direct in writing and shall be acceptable to applicable regulatory authorities.

It is expected that the head office of the Resulting Issuer will be relocated following the Completion of the Transaction to 250 Elm Street, Aylmer, ON N5H 2M8 and the registered office to 250 Elm Street , Aylmer, ON N5H 2M8.

Intercorporate Relationships

Upon Completion of the Transaction, Amalco will be a wholly-owned subsidiary of the Resulting Issuer. Amalco will have two wholly-owned subsidiaries: WMD Ventures Inc., which was incorporated under the CBCA on July 31, 2014 and WeedMD Rx Ltd., which was incorporated on June 16, 2005 under the OBCA.

Narrative Description Of The Business

Following the Completion of the Transaction, the Resulting Issuer will continue the business of WeedMD. For information regarding the business of WeedMD, see "*Information Concerning WeedMD*".

Stated Business Objectives

Following the Completion of the Transaction, the Resulting Issuer will continue the business of WeedMD. The Company and WeedMD intend that the Resulting Issuer will use its financial resources for the following business objectives:

1. to become a significant supplier of medical cannabis to ACMPR Patients;
2. to become the principal supplier of medical cannabis to seniors and long-term care facilities;
3. to continue to adapt and improve the quality of its strains; and
4. to educate doctors and seniors on the benefits of medical cannabis.

See "Information Concerning WeedMD – Narrative Description of the Business".

There is no assurance that the Resulting Issuer will be successful in meeting the objectives described above. See "*Information Concerning the Resulting Issuer – Risk Factors*" for information relating to the risks associated with the business of the Resulting Issuer.

Milestones

In order to accomplish the business objectives stated above, the Resulting Issuer intends to spend the funds available to it on the Completion of the Transaction to reach the following milestones in the next twelve months:

1. secure the Sales License (see "*Information Concerning WeedMD – Principal Products – Licensing*");
2. begin sales and client acquisition (see "*Information Concerning WeedMD – Marketing Plans and Strategies – Customer Acquisition and Retention Strategy*")
3. continue research and development initiatives (see "*Information Concerning WeedMD – Research and Development*"); and
4. implement an effective Enterprise Resource Planning system – to be used as a record keeping solution to manage inventory and compliance requirements, but also deliver efficiency and quality improvements to various aspects of the Resulting Issuer's business.

The Company and WeedMD believe that the Resulting Issuer's working capital available to fund ongoing operations will be sufficient to meet its obligations, as currently contemplated, for a minimum of 18 months. The above-noted milestones have no further associated capital expenditures.

Description Of Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares without nominal or par value. The holders of Resulting Issuer Shares will be entitled to receive notice of and attend all meetings of the shareholders of the Resulting Issuer and will be entitled to one vote in respect of each Resulting Issuer Share held at such meetings. The holders of Resulting Issuer Shares will be entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Resulting Issuer, the holders of Resulting Issuer Shares will be entitled to share rateably in any distribution of the property or assets of the Resulting Issuer, subject to the rights of holders of any other class of securities of the Resulting Issuer entitled to receive assets or property of the Resulting Issuer upon such distribution in priority or rateably with the holders of Resulting Issuer Shares.

In addition, upon Completion of the Transaction, the Resulting Issuer will have 440,000 Resulting Issuer Compensation Options, 3,497,332 Resulting Issuer Stock Options, and 14,888,486 Resulting Issuer Warrants issued and outstanding.

Pro Forma Consolidated Capitalization

The following table sets out the *pro forma* capitalization of the Resulting Issuer as at December 31, 2016 on a consolidated basis, expressed in Canadian dollars, based on the *pro forma* consolidated financial statements contained in this Filing Statement, after giving effect to the Transaction. This table should be read in conjunction with the Company's *pro forma* financial statements attached hereto as Schedule "E".

Designation of Security	Amount Authorized or to be Authorized	Amounts after giving effect to the Transaction(1)
Resulting Issuer Shares	Unlimited	60,517,065(2)
Resulting Issuer Compensation Options	N/A	440,000
Resulting Issuer Stock Options	10% of the issued and outstanding Resulting Issuer Shares	3,497,332
Resulting Issuer Warrants	N/A	14,888,486
Long-term Debt	N/A	Nil

Notes:
(1) Certain of these Resulting Issuer Securities will be held in escrow after the Completion of the Transaction (*See "Information Concerning the Resulting Issuer – Escrowed Securities"*).
(2) Includes: (i) the 1,939,682 ACC Shares of the Company outstanding prior to Completion of the Transaction and (ii) the 58,577,383 Resulting Issuer Shares to be issued in exchange for the WeedMD Shares (including, for greater certainty, the 10,133,333 WeedMD Shares to be issued upon conversion of the WeedMD Debentures). In addition, (i) up to 3,497,332 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Stock Options (*See "Information Concerning the Resulting Issuer – Options to Purchase Securities"*), (ii) up to 14,888,486 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Warrants, (iii) up to 1,125,000 Resulting Issuer Shares will be reserved for issuance pursuant to the issuance of the Resulting Issuer Shares in relation to the WeedMD Compensation Shares and (iv) up to 880,000 Resulting Issuer Shares will be reserved for issuance pursuant to the exercise of the Resulting Issuer Compensation Options (including the underlying shares and warrants to be issued).
(3) The pro forma retained earnings (deficit) of the Resulting Issuer as at December 31, 2016 is ($9,852,117).

Pro Forma Fully Diluted Share Capital

The following table states the diluted share capital of the Resulting Issuer upon the Completion of the Transaction and after giving effect to the Amalgamation:

	Amount Outstanding prior to the Completion of the Transaction	Amount Outstanding after the Completion of the Transaction	Percentage of Total Number of Resulting Issuer Shares to be Issued and Outstanding following Completion of the Transaction on a Fully Diluted Basis
Resulting Issuer Shares based on the outstanding ACC Shares prior to the Completion of the Transaction	1,939,682	1,939,682	2.4%
Resulting Issuer Shares issuable upon the Completion of the Transaction, in exchange for the following WeedMD Securities:	N/A	N/A	N/A
(i) WeedMD Shares outstanding prior to the conversion of the WeedMD Debentures	N/A	45,910,716	56.7%
(ii) WeedMD Shares issued in connection with the conversion of the WeedMD Debentures	N/A	12,666,667	15.7%
Total (non-diluted)	1,939,682	60,517,065	74.8%
Resulting Issuer Shares reserved for issuance upon exercise of the ACC Options	184,832	184,832	0.2%
Resulting Issuer Shares reserved for issuance upon exercise of the WeedMD Stock Options	N/A	3,312,500	4.1%
Resulting Issuer Shares reserved for issuance upon exercise of the Resulting Issuer Compensation Options	N/A	880,000	1.1%
Resulting Issuer Shares reserved for issuance upon exercise of the Resulting Issuer Warrants	N/A	14,888,486	18.4%
Resulting Issuer Shares reserved with respect to the WeedMD Compensation Shares	N/A	1,125,000	1.4%
Total (fully diluted)	2,124,514	80,907,883(2)	100.0%

Notes:
(1) This amount includes the ACC Options and the Resulting Issuer Stock Options exchanged for the WeedMD Stock Options.
(2) Certain of these Resulting Issuer Securities will be subject to escrow restrictions upon the Completion of the Transaction. *See "Information Concerning the Resulting Issuer – Escrowed Securities".*

Estimated Available Funds And Principal Purposes

Estimated Funds Available

As at February 28, 2017, WeedMD had estimated working capital of $6,000,000 (including HST receivable of approximately $150,000) and the Company had estimated working capital of $500,000. The Resulting Issuer will have approximately $6,500,000 available upon Completion of the Transaction.

Dividends

There are no restrictions in the Company's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the Completion of the Transaction. It is not contemplated that any dividends will be paid on any shares of the Resulting Issuer in the immediate future subsequent to the Completion of the Transaction, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

Principal Purposes of Funds

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Item	Approximate Amount ($)
Selling, General and Administrative Expenses	1,852,000
Facility Expenses	1,080,000
Repairs and Maintenance	360,000
Total Direct Labour	1,080,000
Grow Room Expansion	250,000
Oil Extraction Laboratory	500,000
Website and Portal Development	90,000
Unallocated Working Capital	1,288,000
Total	6,500,000

Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

Principal Securityholders

To the best of the knowledge of management of the Company and WeedMD, no Person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to all of the outstanding Resulting Issuer Shares.

Directors, Officers and Promoters

Name, Municipality of Residence, Occupation and Security Holdings

Upon the Completion of the Transaction, the individuals disclosed in the table below are intended to be the directors and officers of the Resulting Issuer, with the term of office of the directors to expire on the date of the next annual general meeting of the shareholders of the Resulting Issuer.

Name, Municipality of Residence and Position to be Held	**Position with WeedMD or the Company Since**	**Principal Occupation During Past Five years (1)**	**Number and Percentage(2) of Resulting Issuer Securities owned directly and indirectly**
Michael Kraft(9) Toronto, Ontario *Chairman & Director*	N/A	Founder, President & CEO and Director of Lingo Media Corporation	Resulting Issuer Shares: 3,750,000(3) - 4.6% Resulting Issuer Stock Options: 425,000(4) – 12.8%
Bruce Dawson-Scully London, Ontario *Chief Executive Officer & Director*	October 2013	Chief Executive Officer of WeedMD	Resulting Issuer Shares: 4,049,970(5) - 5.0% Resulting Issuer Stock Options: 562,500 – 17.0%
Keith Merker London, Ontario *Chief Financial Officer, Corporate Secretary & Director*	N/A	Consultant	Resulting Issuer Shares: 625,000(6) - 0.8% Resulting Issuer Stock Options: 437,500(6) – 13.2%
Dr. Luc C Duchesne Ottawa, Ontario *Chief Scientific Officer*	January 2014	Chief Scientific Officer of WeedMD	Resulting Issuer Shares: 750,000(7) - 0.9% Resulting Issuer Stock Options: 437,500 – 13.2%
Gail Paech(9) Toronto, Ontario *Director*	N/A	Chief Executive Officer of Associated Medical	Resulting Issuer Shares: 37,500(8) - 0.0%
Rick Moscone Toronto, Ontario *Director*	N/A	Partner at Fogler, Rubinoff LLP	Nil
David Danziger(10) Toronto, Ontario *Director*	Inception	Senior Vice President, Assurance, National Leader, Public Companies at MNP LLP	Resulting Issuer Shares: 100,000 - 0.1% Resulting Issuer Stock Options: 46,208 - 1.4%

Notes:
(1) For a complete description of the proposed directors of the Resulting Issuer and for membership of board subcommittees, *see "Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Management"*.
(2) The percentages in the table above are based on the non-diluted Resulting Issuer Shares outstanding upon Completion of the Transaction.
(3) Such shares will held by WFE Holdings III Inc., a corporation beneficially owned or controlled by Michael Kraft.
(4) Such options will held by Buckingham Group Limited, a corporation beneficially owned or controlled by Michael Kraft.
(5) 3,750,000 of the Resulting Issuer Shares will held by Delta 9 Remedy Corp., a corporation beneficially owned or controlled by Bruce Dawson-Scully. 299,970 of the Resulting Issuer Shares will be registered in the name of the spouse of Mr. Dawson-Scully.
(6) Such securities will held by 2245790 Ontario Ltd., a corporation beneficially owned or controlled by Keith Merker.
(7) 625,000 of the 750,000 Resulting Issuer Shares will held by GSN Dreamworks Inc., a corporation beneficially owned or controlled by Dr. Luc C Duchesne.
(8) Such securities will held by Paech Results Inc., a corporation beneficially owned or controlled by Gail Paech.
(9) Proposed member of the Audit Committee.
(10) Proposed chair of the Audit Committee.

Following the Completion of the Transaction, the board of directors of the Resulting Issuer will establish an Audit Committee and such other committees of the board as it determines to be appropriate. Following the Completion of the Transaction, it is anticipated that the Audit Committee will be comprised of David Danziger as chair and Michael Kraft and Gael Paech as members.

Upon the Completion of the Transaction, the directors, officers and promoters of the Resulting Issuer as a group will own beneficially, directly and indirectly, or exercise control or direction over 9,312,470 Resulting Issuer Shares representing approximately 15.4% of the issued and outstanding Resulting Issuer Shares.

Management

The following are biographies of the proposed directors and principal management of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background, where applicable.

No member of senior management is currently a party to any formal non-competition or confidentiality agreement with the Resulting Issuer.

Michael Kraft, 53 – Chairman & Director

Michael is a visionary and entrepreneur with more than 30 years of experience in sales, marketing and corporate management, with a strong record of success in both public and private company leadership. He has a formidable international network of industry and government leaders including 10 years of hands-on experience in China and other global markets. Michael has secured in excess of $100 Million in equity financing for projects in China, Latin America, Africa and abroad.

Mr. Kraft will not work full time for the Resulting Issuer, however, he will devote such time as is required to effectively satisfy his duties as Chairman and director of the Resulting Issuer.

Bruce Dawson-Scully, 43 – Chief Executive Officer & Director

Bruce has worked in the Long-Term Care industry for 22 years, most recently for Leisureworld Senior Care Corporation. He brings both management and government relations expertise. Bruce has been the operations lead on 15 large company, government-regulated startups in long-term care and retirement industry. Bruce has experience in international healthcare consulting to Chinese government in Beijing. He is currently serving as Vice President of MICBA, a non-profit organization that supports seniors in Peel. Bruce has also had extensive experience in all aspects of the development of over 15 luxury retirement and long term care facilities across south western Ontario.

It is expected that Mr. Dawson-Scully will act as an employee of the Resulting Issuer and commit 100% of his time in connection with the Resulting Issuer.

Keith Merker, 44 – Chief Financial Officer, Corporate Secretary & Director

Keith holds the Chartered Financial Analyst designation and has over 15 years of experience working as a Finance Professional, with extensive emphasis on emerging growth public and private companies, corporate finance, accounting, business development, mergers/acquisitions and raising funding in the capital markets.

It is expected that Mr. Merker will act as a consultant of the Resulting Issuer and commit 100% of his time in connection with the Resulting Issuer.

Dr. Luc C Duchesne, 56 – Chief Scientific Officer

Luc holds a PhD in plant biochemistry and has published 85 peer-reviewed scientific articles, book chapters and books. He enjoys 30 years' experience in the issues associated with the production and commercialization of natural products. He has taught as an adjunct professor in 8 universities and has acted on the editorial boards of scientific journals and has received multiple science and business awards including the 5NR Award for Leaders in Sustainability. He is a founding director of Autism Canada Foundation. He brings a unique understanding of regulatory compliance, experimental research and production.

It is expected that Mr. Duchesne will act as an employee of the Resulting Issuer and commit 90% of his time in connection with the Resulting Issuer.

Gail Paech, 69 - Director

Gail is a highly focused, seasoned professional with over 25 years of senior executive experience in the public, private and not-for-profit sectors. She is a former Associate Deputy Minister, Economic Development and Trade and Assistant Deputy Minister, Ministry of Health. During her tenure as a senior civil servant, Gail gained the reputation for her ability to head up large-scale, high-profile, provincial initiatives that resulted in system transformation and lasting change in the delivery of core public services. She possesses in-depth knowledge of government decision-making processes, having been responsible for policy formulation of both sector specific and government-wide policies, programs and the regulatory process. As interim CEO of the largest Long Term Care Association in Canada, Gail assisted in the development of consumer-oriented strategy that unleashed the innovation potential of the Long-Term Care sector while generating value for the healthcare system. As President and CEO of a large downtown Toronto hospital, Gail was responsible for implementing strategic direction which successfully repositioned the hospital during the province- wide restructuring program. Gail has considerable experience with a global consulting company where she was National Director responsible for the development and future direction of the healthcare practice across Canada. She conducted large scale health system redesign projects across the country.

Mrs. Paech will not work full time for the Resulting Issuer, however, she will devote such time as is required to effectively satisfy her duties as a director of the Resulting Issuer.

Rick Moscone, 42 - Director

Rick is a partner at the law firm of Fogler, Rubinoff LLP and acts for several public companies on the TSX and TSX Venture Exchange. Rick obtained an LL.B. from Queen's University and an MBA from Schulich School of Business.

Mr. Moscone will not work full time for the Resulting Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Resulting Issuer.

David Danziger, 60 - Director

Mr. Danziger is a Chartered Professional Accountant and the Senior Vice President of Assurance Services at MNP LLP, Chartered Professional Accountants, the fifth largest financial services and accounting firm in Canada. He also leads the firm's Public Markets practice. Mr. Danziger is experienced in management consulting and business advisory services. He was Chief Executive Officer and a director of Aumento Capital Corporation (now Annidis Corporation), a capital pool company that completed its qualifying transaction in June 2011, Aumento Capital II Corporation (now The Intertain Group), a capital pool company that completed its qualifying transaction in February 2014, Aumento Capital III Corporation (now Exo U Inc.), a capital pool company that completed its qualifying transaction in June 2013 and Aumento Capital IV Corporation (now GreenSpace Brands Inc.), a capital pool company that completed its qualifying transaction in April 2015. He is currently a director of Jackpotjoy PLC (LSE), The Intertain Group Inc. (TSX), Eurotin Inc. (TSXV), Euro Sun Mining Inc. (TSX), Era Resources Inc. (TSXV) and Poydras Gaming Finance Inc. (TSXV). He graduated with a B.Comm from the University of Toronto in 1978 and was designated a Chartered Accountant in 1983.

Mr. Danziger will not work full time for the Resulting Issuer, however, he will devote such time as is required to effectively satisfy his duties as a director of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no proposed director, officer or promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten years before the date of this Filing Statement, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Michael P. Kraft was a nominee director to represent Lingo Media Corporation's interest in A+ Child Development (Canada) Ltd. ("**A+**"), a 70.33% subsidiary of Lingo Media Corporation. On December 23, 2008, A+ filed a Notice of Intent to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). On April 23, 2009 the proposal filed under the *Bankruptcy and Insolvency Act* (Canada) by A+ was approved by the Superior Court of Justice (Ontario) and the Company received the Certificate of Full Performance of Proposal.

David Danziger

Mr. Danziger was appointed director of American Apparel, Inc. ("**American Apparel**"), a company listed on the NYSE MKT LLC exchange on July 11, 2011 and resigned as director on June 14, 2015. Subsequently, on October 5, 2015, American Apparel announced that it had reached an agreement with its lenders to significantly reduce its debt and interest payments through a consensual pre-arranged reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. In January 2016, American Apparel delisted and was privatized under the Chapter 11 filing.

On April 16, 2014, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order dated April 4, 2014, against the Interim CEO and the CFO of Carpathian Gold Inc. ("**Carpathian**"). The permanent management cease trade order was issued in connection with Carpathian's failure to file its (i) audited annual financial statements for the period ended December 31, 2013, (ii) management's discussion and analysis relating to the audited annual financial statements for the period ended December 31, 2013, and (iii) corresponding certifications of the foregoing filings as required by National Instrument 52-109 — Certification of Disclosure in the Issuer's Annual and Interim Filings. The management cease trade order was lifted on June 19, 2014 following the filing of the required continuous disclosure documents on June 17, 2014. During the period of the management cease trade order, Mr. Danziger was a director of Carpathian.

Penalties or Sanctions

No individual proposed for appointment as a director or officer of the Resulting Issuer, nor any promoter of the Resulting Issuer or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

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

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder making a decision about the proposed Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such person has, within the ten years before the date of the Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the Completion of the Transaction or who may be considered promoters of the Resulting Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of its knowledge, the Company is not aware of the existence of any conflicts of interest between the Company and any of its directors and officers as of the date of this Filing Statement. To the best of its knowledge, WeedMD is not aware of the existence of any conflicts of interest between WeedMD and any of its directors and officers as of the date of this Filing Statement. The shareholders of the Resulting Issuer must appreciate that they will be required to rely on the judgment and good faith of its directors and officers, as well as on the judgment and good faith of the directors and officers of the Resulting Issuer, in resolving any conflicts of interest that may arise.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoter of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Position	Exchange	From	To
Michael Kraft	Lingo Media Corporation	President, CEO, Director	TSXV	November 1996	Present
	Pioneering Technology Corp.	Director	TSXV	July 2006	Present
	Percy Street Capital Corporation	Director	TSXV	August 2015	Present
	JM Capital II Corp.	Director	TSXV	January 2012	Present
	Internet of Things Inc.	CEO & Director	TSXV	March 2012	April 2015
	South Tech Capital Corporation	Director	TSXV	June 2011	September 2014
Bruce Dawson-Scully	Leisureworld Corp, Canada	VP of Operations	TSX	June 2006	August 2012
Gael Paech	Extendicare, Canada	Director	TSX/S&P	January 2016	Present
Dr. Luc C. Duchesne	Atlantic Wind and Solar Inc.	Director	OTC US	May 2011	November 2016
	NSU Resources, Inc.	Director, CEO	OTC QB	June 2011	June 2014
	Great Rock Development Corp	Director	OTC US	December 2010	January 2015
David Danziger	Jackpotjoy PLC	Director	LSE	January 2017	Present
	The Intertain Group Ltd. (formerly Aumento II Capital Corporation)	President CEO, CFO, Secretary Director	TSX	November 2010	Present
	Poydras Gaming Finance Inc.	Director	TSXV	June 2015	Present

	Era Resources Ltd. (formerly Marengo Mining Ltd.)	Director	TSXV	July 2014	Present
	Euro Sun Mining Inc. (formerly Carpathian Gold Inc.)	Director	TSX	September 2010	Present
	Eurotin Inc.	Interim CEO, Director	TSXV	August 2008	Present
	Cancana Resource Corporation	Director	TSXV	July 2014	May 2015
	Goldspike Exploration Inc.	Director	TSXV	September 2010	July 2012
	American Apparel Inc.	Director	NYSE	July 2011	June 2015
	Renforth Resources	President, CEO, Chairman, Director	CSE	November 2006	March 2013
	Cadillac Ventures Inc.	Director	TSXV	January 2010	April 2012
	Exo U Inc.	Director, President, CEO, CFO, Secretary	TSXV	May 2011	May 2013
	Greenspace Brands	President, CEO, CFO, Secretary, Director	TSXV	August 2013	April 2015

Anticipated Executive Compensation

Compensation Discussion and Analysis

The following discussion provides information about the Resulting Issuer's proposed philosophy, objectives and processes regarding compensation for the Resulting Issuer's executive officers following the Completion of the Transaction. Compensation for the Resulting Issuer's Chief Executive Officer, Chief Financial Officer and the next three most highly compensated executive officers (collectively, the "**Proposed NEOs**") will be determined by the board of directors of the Resulting Issuer. The Resulting Issuer's executive compensation will predominantly be based on prevailing industry compensation practices for companies of comparable size and industry and the Resulting Issuer's performance in achieving certain goals.

It will be the responsibility of the Resulting Issuer's board of directors as a whole to make decisions regarding executive compensation matters. The Resulting Issuer's compensation program supports its commitment to delivering strong performance for shareholders. The Resulting Issuer's overall objective of its compensation philosophy is the attraction, motivation and retention of quality, experienced people to achieve the Resulting Issuer's strategic objectives and to align the interests of its executive officers and employees with the long-term interest of the Resulting Issuer's shareholders.

All of the components of the Resulting Issuer's executive compensation program will be reviewed and confirmed by its board of directors following the Completion of the Transaction and the appointment of the new board members.

It is currently contemplated that executive compensation be comprised of the following components: base salary, and incentive stock options. Together, these components are designed to address the key objectives of the Resulting Issuer's compensation program.

Elements of Executive Compensation

Base Salaries

The base salary component is intended to provide a fixed level of pay that reflects each Proposed NEO's primary duties and responsibilities. While base salaries are an important element of executive officer compensation, the size and stage of the Resulting Issuer prevents the Resulting Issuer from paying base salaries which are comparable to those of larger companies in the similar industry and, accordingly, performance-based compensation elements are an integral component of the executive compensation package.

In setting base compensation levels for executive officers, consideration will be given to objective factors such as level of responsibility, experience and expertise as well as subjective factors such as leadership.

Summary Compensation Table

The anticipated compensation for services for the Proposed NEOs of the Resulting Issuer for the 12 month period following the Completion of the Transaction is as set out below. For details of the stock options to be held by the proposed officers and directors of the Resulting Issuer upon Completion of the Transaction see "*Options to Purchase Securities*" below.

Name and principal position	**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**			
Bruce Dawson-Scully *Chief Executive Officer & Director*	180,000	Unknown at this time.	Unknown at this time.	Unknown at this time.	Unknown at this time.	NIL	Unknown at this time.	180,000
Keith Merker *Chief Financial Officer, Corporate*	160,000	Unknown at this time.(1)	Unknown at this time.	Unknown at this time.	Unknown at this time.	NIL	Unknown at this time.	160,000

Secretary & Director								
Dr. Luc C Duchesne *Chief Scientific Officer*	160,000	Unknown at this time.[(1)]	Unknown at this time.	Unknown at this time.	Unknown at this time.	NIL	Unknown at this time.	160,000

Notes:

(1) Should the Resulting Issuer obtain the Sales License, Mr. Merker and Dr. Duchesne, through their respective holding companies, will be awarded 500,000 WeedMD Shares (or 625,000 Resulting Issuer Shares) and 400,000 WeedMD Shares (or 500,000 Resulting Issuer Shares), respectively.

Option-Based Awards and Incentive Plan Awards

Resulting Issuer Stock Options to purchase Resulting Issuer Shares may be granted to directors, executive officers, employees and consultants of the Resulting Issuer and are intended to align such individuals' interests by attempting to create a direct link between compensation and shareholder return. Resulting Issuer Stock Options will be granted pursuant to the Stock Option Plan.

Pension Plan Benefits

It is not anticipated that the Resulting Issuer will establish a pension plan, a defined benefit plan or any retirement savings programs for the Proposed NEOs or other employees of the Resulting Issuer within the next 12 months.

Deferred Compensation Plans

It is not anticipated that the Resulting Issuer will establish a deferred compensation plan for the Proposed NEOs or other employees of the Resulting Issuer within the next 12 months.

Director Compensation

No compensation is anticipated to be paid to directors who are not executive officers for their services as directors. Directors will be eligible to receive grants of stock options from time to time.

Indebtedness Of Directors And Officers

Except as disclosed below, no individual who: (a) is a director or officer of the Company or WeedMD or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of the Company or WeedMD was, a director or officer of the Company or WeedMD; or (c) is an associate of any of the foregoing, is either: (a) indebted to the Company or WeedMD or a subsidiary of either the Company or WeedMD; or (b) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or WeedMD as at the day of the Filing Statement.

Investor Relations Arrangements

Following the Completion of the Transaction, the Resulting Issuer may enter into an agreement with a person or firm to provide corporate communications and investor relations services for the Resulting Issuer or its securities. No agreement has been concluded with any person or firm with respect to the provision of such services or to engage in any other activities for the purposes of stabilizing the market for the Resulting Issuer Shares.

Options to Purchase Securities

Options to Purchase Securities

The following table sets forth the particulars of the stock options that will be outstanding upon the Completion of the Transaction:

Group	Number of Options to Purchase Resulting Issuer Securities	Exercise Price ($)	Grant Date	Expiry Date
Officers of the Resulting Issuer	1,437,500	0.60	February 24, 2017	February 24, 2027
Directors of the Resulting Issuer who are not also officers of the Resulting Issuer	425,000	0.60	February 24, 2017	February 24, 2027
Officers and past officers of the Company(1)	46,208	0.60	November 12, 2014	November 13, 2019
Directors and past directors of the Company who are not also officers of the Company (2)	138,624	0.60	November 12, 2014	November 13, 2019
Resulting Issuer Compensation Options	440,000(3)	0.9375(3)	November 8, 2016	Two years following the Completion of the Transaction
Consultants	1,450,000	0.60 or 0.80	February 24, 2017	February 24, 2027

Notes:
(1) The only past officer of the Company holding Resulting Issuer Stock Options is David Danziger, who prior to the Completion of the Transaction, holds 46,208 ACC Options with an exercise price of $0.60 per ACC Option.
(2) Comprised of Paul Pathak and Roger Daher, who prior to the Completion of the Transaction, hold 46,208 and 92,416 ACC Options respectively with an exercise price of $0.60 per ACC Option.
(3) 352,000 WeedMD Compensation Options with an exercise price of $0.75 which, subject to the Share Exchange Ratio, will be adjusted to 440,000 Resulting Issuer Compensation Options exercisable at $0.9375 per option. Each option is exercisable into one Resulting Issuer Share and one Resulting Issuer Warrant.

Stock Option Plan

It is expected that the Resulting Issuer will maintain the Stock Option Plan (as described above under the heading "*Information Concerning the Company – Stock Option Plan*").

Escrowed Securities

A number of the Resulting Issuer Shares will be subject to escrow pursuant to the policies of the Exchange. The two categories of escrow securities which will exist upon the Completion of the Transaction, under the CPC Escrow Agreement and a Value Security Escrow Agreement.

CPC Escrow Agreement

The following table sets out, as at the date of this Filing Statement, the number and percentage of CPC Escrow Shares held in escrow under the CPC Escrow Agreement prior to the Completion of the Transaction, and the number and percentage of Resulting Issuer Shares that will be held in escrow after the Completion of the Transaction:

		Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
Name and Municipality of Residence of Securityholder	**Designation of class**	**Number of securities held in escrow**	**Percentage of class [(1)]**	**Number of securities to be held in escrow**	**Percentage of class[(1)]**
David Danziger Professional Corporation[(2)] Toronto, ON	Resulting Issuer Shares	100,000	5.2%	100,000	0.2%
Roger Daher Toronto, ON	Resulting Issuer Shares	500,000	25.8%	500,000	0.8%
2124312 Ontario Inc.[(3)] Toronto, ON	Resulting Issuer Shares	166,666	8.6%	166,666	0.3%
Jon MacNeil Professional Corporation[(4)] Toronto, Ontario	Resulting Issuer Shares	16,666	0.9%	16,666	0.0%
Pengally Bay Investments Inc.[(5)] Toronto, Ontario	Resulting Issuer Shares	50,000	2.6%	50,000	0.1%
Total:		833,332	43.0%	833,332	1.4%

Notes:
(1) The percentages in the table above are based on the non-diluted Resulting Issuer Shares.
(2) David Danziger is the sole shareholder of David Danziger Professional Corporation.
(3) Paul Pathak is the sole shareholder of 2124312 Ontario Inc.
(4) Jon Mac Neil is the sole shareholder of Jon Mac Neil Professional Corporation.
(5) Jim Molyneux is the principal shareholder of Pengally Bay Investments Inc.

As at the date hereof, there are 833,332 CPC Escrow Shares (or 883,332 Resulting Issuer Shares) held in escrow, representing 43% of the total issued and outstanding ACC Shares prior to the Completion of the Transaction. All of the CPC Escrow Shares are escrowed pursuant to the CPC Escrow Agreement. 25% of the CPC Escrow Shares will be released from escrow on the issuance of the Final Exchange Bulletin and an additional 25% will be released on each of the dates that are 6, 12 and 18 months thereafter.

Value Security Escrow Agreement

Pursuant to the policies of the Exchange and in addition to the CPC Escrow Shares, the following securities of the Resulting Issuer anticipated to be held by Principals of the Resulting Issuer are expected to be held in escrow after giving effect to the Transaction:

Name and Municipality of Residence of Securityholder	**Designation of class**	**Number of securities to be held in escrow**	**Percentage of class(1)**
WFE Holdings III Inc.(2)	Resulting Issuer Shares	3,750,000	6.2%
Delta 9 Remedy Corp.(3)	Resulting Issuer Shares	3,750,000	6.2%
Andrea Flaman(4) London, Ontario	Resulting Issuer Shares	299,970	0.5%
2245790 Ontario Ltd. (5)	Resulting Issuer Shares	625,000	1.0%
	Resulting Issuer Shares (Compensation Shares)(8)	625,000	55.6%
Luc C Duchesne Ottawa, Ontario	Resulting Issuer Shares	125,000	0.2%
GSN Dreamworks Inc.(6)	Resulting Issuer Shares	625,000	1.0%
	Resulting Issuer Shares (Compensation Shares)(8)	500,000	44.4%
Paech Results Inc.(7)	Resulting Issuer Shares	37,500	0.1%
David Danziger	Resulting Issuer Shares	100,000	0.2%
Total:		9,312,470(9)	

Notes:

(1) The percentages in the table above are based on the non-diluted Resulting Issuer Shares outstanding upon Completion of the Transaction.
(2) A corporation beneficially owned or controlled by Michael Kraft.
(3) A corporation beneficially owned or controlled by Bruce Dawson-Scully.
(4) Spouse of Mr. Dawson-Scully.
(5) A corporation beneficially owned or controlled by Keith Merker.
(6) A corporation beneficially owned or controlled by Dr. Luc C Duchesne.
(7) A corporation beneficially owned or controlled by Gail Paech.
(8) Such shares, if issued within 18 months of the Final Exchange Bulletin, will be subject to escrow.
(9) Should the Resulting Issuer Shares (Compensation Shares) be issued during the 18 month period after the Final Exchange Bulletin, a total of 10,437,470 will be subject to the Value Security Escrow Agreement.

The Value Securities will be subject to a Value Security Escrow Agreement dated the Closing Date among the certain shareholders of the Resulting Issuer and the Escrow Agent, pursuant to the policies of the Exchange. Under the Value Security Escrow Agreement, the Value Securities will be released as follows:

- 25% of the securities will be released on the date of the Final Exchange Bulletin; and

- 25% of the securities will be released on each of 6 months, 12 months, 18 months.

Seed Share Resale Restrictions

Further to the above, the following seed share resale restrictions will be applicable to certain Resulting Issuer Shares:

Resale Restrictions	Resulting Issuer Shares
Value Security Escrow Agreement	14,553,749
4 month hold (≥ 25% to < 50% of Transaction Price, < 1 year)	862,500
1 year hold (≥ 10% to < 25% of Transaction Price, < 1 year)	441,669
TOTAL	16,295,418

Auditors, Transfer Agent And Registrar

Auditor

The Resulting Issuer's auditor will be Collins Barrow Toronto LLP, 11 King Street West, Suite 700, Toronto, Ontario M5H 4C7.

Transfer Agent and Registrar

It is anticipated that the registrar and transfer agent for the Resulting Issuer Shares subsequent to the Completion of the Transaction will continue to be TSX Trust Company, 200 University Avenue, Suite 300, Toronto ON M5H 4H1.

Risk Factors

The following risk factors should be carefully considered in evaluating the Resulting Issuer and the Transaction. The risks presented below may not be all of the risks that the Resulting Issuer may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the business following the Completion of the Transaction. The market in which WeedMD currently competes is very competitive and changes rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. In addition to the risks described elsewhere in this Filing Statement, including in the notes to the financial statements attached hereto, each of, and the cumulative effect of all of, the following risks for the Resulting Issuer should be considered:

Reliance on Licensing

The operations of the Resulting Issuer require it to obtain licences for the transportation, distribution, production and sale of medical cannabis, and in some cases, renewals of existing licences from, and the issuance of permits by certain national authorities in Canada. Save for the Sales License, the Resulting Issuer believes that it currently holds or has applied for all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licences and permits.

The failure of the Resulting Issuer to obtain the Sales License would have a material adverse impact upon the Resulting Issuer.

In addition, the Resulting Issuer will apply for, as the need arises, all necessary licences and permits to carry on the activities it expects to conduct in the future. However, the ability of the Resulting Issuer to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. The ACMPR License expires on April 24, 2017. Any loss of interest in any such required licence or permit, or the failure of any governmental authority to issue or renew such licences or permits upon acceptable terms, would have a material adverse impact upon the Resulting Issuer.

Regulatory Risks

The operations of the Resulting Issuer are subject to various laws governing the distribution, transportation, production and sale of medical cannabis, taxes, labour standards and occupational health, toxic substances, land use, water use, and other matters.

The ACMPR is a new regime established in August 2016. As such, revisions to the regime could be implemented which could have an impact on the Resulting Issuer's operations. The risks to the business of the Resulting Issuer represented might lead to further court rulings or legislative changes such as those brought about by the repeal of MMPR and the introduction of ACMPR that allow those with existing licences to possess and/or grow medical cannabis. This could significantly reduce the addressable market for the Resulting Issuer's products and could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Furthermore, although the operations of WeedMD are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Resulting Issuer's ability to distribute or produce medical cannabis. Amendments to current laws and regulations governing the distribution, transportation and/or production of medical cannabis, or more stringent implementation thereof, could have a substantial adverse impact on the Resulting Issuer and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Limited Operating History and Uncertainty of Future Revenues

WeedMD has a limited operating history and, accordingly, potential investors will have a limited basis on which to evaluate its ability to achieve its business objectives. The future success of the Resulting Issuer is dependent on management's ability to implement its strategy. Whilst management is optimistic about the Resulting Issuer's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Resulting Issuer will successfully produce commercial medical cannabis, establish a market for its product or acquire the Sales License to allow for the sale of its medical cannabis. The Resulting Issuer faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Resulting Issuer's business, financial condition and results.

Competition

The market in which the Resulting Issuer operates is competitive and fast moving and may become even more competitive. There can be no guarantee that the Resulting Issuer's competitors will not develop similar or superior services to the Resulting Issuer's services which may render the Resulting Issuer uncompetitive.

The government has only issued to date a small number of licenses under the MMPR and its successor, ACMPR, to produce and sell medical cannabis. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Resulting Issuer. Because of early stage of the industry in which the Resulting Issuer operates, it may face additional competition from new entrants. If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Dependence on Key Executives

The performance of the Resulting Issuer will depend heavily on its ability to retain the services of management and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.

Reliance on the Facility

The Resulting Issuer's activities and resources are focused on the Facility. The ACMPR License is specific to the Facility. Adverse changes or developments affecting the Facility, including but not limited to a breach of security, could have a material and adverse effect on the Resulting Issuer's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on its ability to continue operating under the ACMPR License or the prospect of renewing the ACMPR License.

The Facility continues to operate with routine maintenance however the building does have components that require replacement or repair. Through the term of the Lease Agreement, the Resulting Issuer will bear many of the costs of maintenance and upkeep at the Facility. The Resulting Issuer's operations and financial performance may be adversely affected if it is unable to keep up with maintenance requirements.

Certain contemplated capital expenditures of the Resulting Issuer may require Health Canada approval. There is no guarantee that Health Canada will approve any contemplated expansion and/or renovation, which could adversely affect the business, financial condition and results of operations of the Resulting Issuer.

History of Net Losses

The Resulting Issuer has incurred losses in recent periods. The Resulting Issuer may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Resulting Issuer expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Resulting Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Resulting Issuer will not be profitable.

Further Funding Requirements

The building and operation of the Resulting Issuer's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Resulting Issuer will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms, which are acceptable. The Resulting Issuer's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Resulting Issuer's growth and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Product Liability

As a distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Resulting Issuer's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Resulting Issuer's products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the Resulting Issuer's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting Issuer's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Resulting Issuer has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for the Resulting Issuer's products and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer. Additionally, product recalls may lead to increased scrutiny of the Resulting Issuer's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Resulting Issuer maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Resulting Issuer is not generally available on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Early Stage of the Medical Cannabis Industry

The Canadian medical cannabis industry is in a nascent stage, only having been granted license to generate revenue from cannabis products and services since April 1, 2014. The change in federal legislation from the MMPR to the ACMPR could have an adverse impact on a licensed producer's ability to successfully produce or sell its medical cannabis.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Proprietary Protection

The success of the Resulting Issuer’s business depends in part on its ability to protect its ideas and technology. The Resulting Issuer has no patented technology or trademarked business methods at this time nor has it registered any patents. In Canada, WeedMD has a registered a design trademark for its logo for WeedMD.com. In addition, WeedMD has applied for a Canadian trademark for the word "WEEDMD".

Even if the Resulting Issuer moves to protect its technology with trademarks, patents, copyrights or by other means, the Resulting Issuer is not assured that competitors will not develop similar technology, business methods or that the Resulting Issuer will be able to exercise its legal rights.

Other countries may not protect intellectual property rights to the same standards as does Canada. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources such that said actions have a meaningfully impact the Resulting Issuer's ability to successfully grow the business.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Resulting Issuer. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. All decisions to be made by such directors and officers involving the Resulting Issuer are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Resulting Issuer. In addition, such directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

Risks Inherent in an Agricultural Business

The Resulting Issuer's business involves the growing of medical cannabis, an agricultural product. Such business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although such growing is completed indoors under climate controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such production.

Environmental Regulation and Risks

The Resulting Issuer's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Resulting Issuer's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from its production and/or distribution of medical cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Unfavourable Publicity or Consumer Perception

The Resulting Issuer believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis distributed to such consumers. Consumer perception of the Resulting Issuer's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for the Resulting Issuer's products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Resulting Issuer's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Share Price Volatility

The market price of the Resulting Issuer Shares may be subject to wide price fluctuations. The market price of the Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, community support for the medical cannabis industry and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

Transportation Disruptions

As a business revolving mainly around the growth of an agricultural product, the ability to obtain speedy, cost-effective and efficient transport services will be essential to the prolonged operations of the Resulting Issuer's business. Should such transportation become unavailable for prolonged periods of time, there may be a material adverse effect on the Resulting Issuer's business, financial situation, and operations.

Vulnerability to Rising Energy Costs

The Resulting Issuer's medical cannabis growing operations consume considerable energy, which make the Resulting Issuer vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely impact the business of the Resulting Issuer and its ability to operate profitably.

Reliance on Key Inputs

The Resulting Issuer's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Resulting Issuer's capital expenditure program may be significantly greater than anticipated by the Resulting Issuer's management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Resulting Issuer.

Difficulty to Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Need to Attract and Retain Qualified Personnel

The Resulting Issuer's success depends to a significant extent on its ability to identify, attract, hire, train and retain qualified personnel. Competition for such personnel may be intense and there can be no assurance that the Resulting Issuer will be successful in identifying, attracting, hiring and retaining such personnel in the future. If the Resulting Issuer is unable to identify, attract, hire and retain qualified personnel in the future, such inability could have a material adverse effect on its business, operating results and financial condition.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant resources.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the Resulting Issuer Shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Limited Market for Securities

Upon Completion of the Transaction, the Resulting Issuer Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

GENERAL MATTERS

Sponsorship

WeedMD has entered into a letter agreement dated November 8, 2016 with Dundee Securities Ltd. whereby it has agreed to act as sponsor in connection with the Transaction. In consideration of the services to be rendered by Eight Capital (successor to Dundee Securities Ltd.) in connection with the sponsorship, WeedMD has agreed to pay Eight Capital a fee of $70,000 (plus applicable taxes), which fee shall be payable upon delivery of the sponsorship letter to the Exchange. The Sponsorship Fee shall be payable in cash and/or WeedMD Shares (at a deemed price of $0.75), at the election of Eight Capital.

Experts

Opinions

Grant Thornton LLP, Chartered Accountants, prepared the Auditors' Report for the Company for the years ended December 31, 2016 and 2015. Grant Thornton LLP, Chartered Accountants, are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Collins Barrow Toronto LLP, Chartered Accountants, prepared the Auditors' Report for WeedMD for the years ended December 31, 2015 and 2014. Collins Barrow Toronto LLP, Chartered Accountants, are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Interests of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company, WeedMD, the Resulting Issuer or an Associate or Affiliate of the foregoing.

Other Material Facts

There are no other material facts about the Company, WeedMD, the Resulting Issuer or the Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the Company, WeedMD and the Resulting Issuer, assuming the Completion of the Transaction.

Board Approval

The contents and the filing of this Filing Statement have been approved by the board of directors of each of the Company and WeedMD. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

CERTIFICATE OF AUMENTO CAPITAL V CORPORATION.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Aumento Capital V Corporation assuming Completion of the Qualifying Transaction.

(signed) "*David Danziger*"

David Danziger
Chief Executive Officer, Chief Financial Officer, Secretary and Director

On behalf of the Board of Directors:

(signed) "*Roger Daher*"	(signed) "*Paul Pathak*"
Roger Daher Director	Paul Pathak Director

CERTIFICATE OF WEEDMD RX INC.

The foregoing, as it relates to WeedMD Rx Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of WeedMD Rx Inc.

(signed) "*Bruce Dawson-Scully*"	(signed) "*Keith Merker*"
Bruce Dawson-Scully Chief Executive Officer	Keith Merker Acting Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Luc C. Duchesne*"	(signed) "*Bruce Dawson-Scully*"
Luc C. Duchesne Director	Bruce Dawson-Scully Director

SCHEDULE "A"
ACC FINANCIAL STATEMENTS

(see attached)

Aumento Capital V Corporation

(A Capital Pool Corporation)

Audited Financial Statements

For the Years Ended December 31, 2016 and December 31, 2015

Independent auditor's report

Grant Thornton LLP
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To the Shareholders of Aumento Capital V Corporation

We have audited the accompanying financial statements of Aumento Capital V Corporation, which comprise the statement of financial position as at December 31, 2016 and 2015, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period ended December 31, 2016 and 2015, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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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 Aumento Capital V Corporation as at December 31, 2016 and 2015, and its financial performance and its cash flows for the period ended December 31, 2016 and 2015, in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Mississauga, Canada
March 29, 2017

Licensed Professional Accountants
Chartered Professional Accountants

Aumento Capital V Corporation
Statements of Financial Position
For the years ended December 31, 2016 and 2015
(in Canadian Dollars)

		2016		2015
Assets				
Cash held in trust	**$**	**643,622**	$	676,999
	$	**643,622**	$	676,999
Liabilities				
Accounts payable and accrued liabilities (note 5)	**$**	**23,069**	$	12,854
		23,069		12,854
Shareholder's equity				
Capital stock (note 3 and 5)		**796,874**		713,244
Contributed surplus (note 3 and 5)		**85,680**		114,500
Deficit		**(262,001)**		(163,599)
		620,553		664,145
	$	**643,622**	$	676,999

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

Approved by the Board **David Danziger** **Paul Pathak**

Director **(Signed)** Director **(Signed)**

Aumento Capital V Corporation
Statements of Comprehensive Loss
For the years ended December 31, 2016 and 2015
(in Canadian Dollars)

		2016		2015
Expenses				
Filing fees	**$**	**28,727**	$	10,243
Professional fees		**69,675**		22,536
Net loss and comprehensive loss for the period	**$**	**(98,402)**	$	(32,779)
Net loss per share – basic and diluted	**$**	**(0.10)**	$	(0.03)
Weighted average shares outstanding		**1,026,764**		1,015,001

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

Aumento Capital V Corporation
Statements of Changes in Equity
For the year ended December 31, 2016 and 2015
(in Canadian Dollars)

	Number of Shares		Capital Amount		Contributed Surplus		Deficit		Shareholder's Equity
Balance, December 31, 2014	1,848,332	$	713,244	$	114,500	$	(130,820)	$	696,924
Net loss for the year	-		-		-		(32,779)		(32,779)
Balance, December 31, 2015	1,848,332		713,244		114,500		(163,599)		664,145
Exercise of agent options	91,350		83,630		(28,820)		-		54,810
Net loss for the year	-		-		-		(98,402)		(98,402)
Balance, December 31, 2016	**1,939,682**	**$**	**796,874**	**$**	**85,680**	**$**	**(262,001)**	**$**	**620,553**

The accompanying notes are an integral part of these financial statements

Aumento Capital V Corporation
Statements of Cash Flow
For the year ended December 31, 2016 and the 2015
(in Canadian Dollars)

		2016		2015
Cash provided by (used in)				
Operating activities				
Net loss for the period	**$**	**(98,402)**	$	(32,779)
Change in non-cash working capital components				
Accounts payable and accrued liabilities		**10,215**		2,855
		(88,187)		(29,924)
Financing				
Share subscription		**54,810**		(29,924)
Net change in cash		**(33,777)**		(29,924)
Cash, beginning of year	**$**	**676,999**	$	706,923
Cash, end of year	**$**	**643,622**	$	676,999

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

1. INCORPORATION AND NATURE OF BUSINESS

Aumento Capital V Corporation (the "Corporation") was incorporated under the Ontario Business Corporation Act on July 16, 2014 and was in the process of applying for status as a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). On November 13, 2014, the Corporation announced that it had completed its initial public offering and that it was now defined as a Capital Pool Corporation.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval. The Corporation received a six-month extension to complete its QT from the TSX-V.

The head office and the registered head office of the Corporation is located at 320 Bay Street, Suite 1600, Toronto, Ontario M5H 4A6.

On March 29, 2017, the Board of Directors approved the financial statements for the years ended December 31, 2016 and December 31, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. These financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Income Taxes

Income tax comprises of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Share-based Compensation

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Stock options are measured at the fair value of each tranche on the grant date, using the Black-Scholes valuation model incorporating expected interest rate, volatility and dividend yield assumptions, and are recognized in their respective vesting period using the Corporation's forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Financial Instruments

Financial assets

The Corporation classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

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

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

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

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Corporation has classified its cash held in trust as loans and receivables.

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2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Corporation's accounting policy for each category is as follows:

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

Other financial liabilities - this category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting Standards issued but not yet applied

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRS Interpretations Committee ("IFRIC") that are mandatory and which the Corporation reasonably expects to be applicable for later periods are listed below. The Corporation has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The Corporation anticipates that this standard will be adopted in the Corporation's financial statements for the year beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

(In Canadian Dollars)

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued

833,332 common shares (i)	$	250,000
1,015,000 common shares (ii)		609,000
Cost of issuance - cash		(113,756)
Cost of issuance - share-based payment (ii)		(32,000)
Balance, December 31, 2015	**$**	**713,244**
Exercise of agent options (ii)		83,630
Balance, December 31, 2016	**$**	**796,874**

(i) On July 16, 2014, the Corporation issued 833,332 common shares at $0.30 per share for total proceeds of $250,000. The Corporation incurred cash issuance costs of $1,991 related to the issuance of these common shares.

(ii) On November 12, 2014, the Corporation completed its Initial Public Offering ("IPO") and issued 1,015,000 common shares at $0.60 per common share for gross proceeds of $609,000. The Corporation granted Canaccord Genuity Corp., its agent for the IPO, an option to acquire 101,500 common shares of the Corporation at a price of $0.60 per share exercisable for a period of 24 months from the date of the Corporation's common shares are listed on the TSX Venture Exchange. The agent's options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.11%, expected volatility of 100%, expected forfeiture of 0% and an expected life of two years. The value attributed to the 101,500 options was $32,000 which is included in cost of issuance. In total the Corporation incurred $111,765 in cash issuance costs related to the IPO. On November 12, 2016, 91,350 agent options were exercised for cash in the amount of $54,810. In connection with the exercise, $28,820, representing the Black-Scholes value of the 91,350 agent options, has been re-classified from contributed surplus to share capital.

The 833,332 issued common shares will be held in escrow pursuant to the requirements of the Exchange to be released as to 10% thereof on the completion of the Corporation's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

(In Canadian Dollars)

3. SHARE CAPITAL - continued

Options

The Corporation has established a stock option plan for its directors, officers and technical consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within one year thereafter.

Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

The following table reflects the continuity of stock options:

	Number of Stock options	Weighted average exercise price ($)
July 26, 2014	-	-
Granted to Agent of IPO (i)	101,500	0.60
Granted to management (ii)	184,832	0.60
Balance, December 31, 2015	**286,332**	**0.60**
Exercise of agent options (i)	(91,350)	0.60
Expiry of agent options (i)	(10,150)	0.60
Balance, December 31, 2016	**184,832**	**0.60**

(i) On November 12, 2014, the Corporation granted 101,500 Agent options which are exercisable within two years from the date of grant at an exercise price of $0.60 per share. The Agent's options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.11%, expected volatility of 100%, expected forfeiture of 0% and an expected life of two years. The value attributed to these options was $32,000. On November 12, 2016, 91,350 agent options were exercised while the remaining 10,150 expired.

(ii) On November 12, 2014, the Corporation granted 184,832 options to members of management which are exercisable within five years from the date of grant at an exercise price of $0.60 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.11%, expected volatility of 100%, expected forfeiture of 0% and an expected life of five years. The value attributed to these options was $82,500.

(In Canadian Dollars)

3. SHARE CAPITAL - continued

The following table reflects the actual stock options issued and outstanding as of December 31, 2016:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
November 12, 2019	0.60	2.87	184,832	184,832

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital, contributed surplus and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accounts payable and accrued liabilities approximate fair value due to the relatively short term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(In Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2016, the Corporation incurred $61,804 (2015 - $6,212) in legal fees for services provided by a law firm whose partner is a director of the Corporation. These transactions were measured at their exchange amount.

As at December 31, 2016, $13,068 (2015 - $2,854) is included in accounts payable and accrued liabilities for these services.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period ended December 31, 2016 (2015 - $nil).

6. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% and the Corporation's effective income tax expense is as follows:

		2016		2015
Net loss for the year	**$**	**(98,402)**	$	(32,779)
Expected income tax recovery		**(26,077)**		(8,686)
Deferred tax assets not recognized		**26,077**		8,686
Income taxes recovery	**$**	**-**	$	-

At December 31, 2016, the Corporation had a non-capital loss for income tax purposes of approximately $208,000 (2015 - $110,000) which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income as follows:

2034 - $77,000
2035 - $33,000
2036 - $98,000

The Corporation also had $117,000 (2015 - $117,000) in undeducted share issuance costs which will be expensed for tax purposes over the next five years. The Corporation has not recorded deferred tax assets related to these unused carry forward losses and share issuance costs as it is not probable that future taxable profits will be available against which these can be deducted.

6. SUBSEQUENT EVENT – QUALIFYING TRANSACTION

On March 2, 2017, the Corporation entered a definitive agreement with WeedMD RX Inc., ("WMD") to complete a transaction in which the shareholders of WMD will take-over the Corporation. The transaction will constitute the Corporation's Qualifying Transaction ("QT") as such defined in the policies of the TSX Venture Exchange.

As part of the above QT, on November 9, 2016 WMD closed a $7,600,000 convertible debenture unit financing with 7,600 units being issued at $1,000/unit, along with 1,333 warrants. The warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share.

SCHEDULE "B"
ACC MD&A

(see attached)

Aumento Capital V Corporation
Management Discussion and Analysis
For the Years Ended December 31, 2016 and 2015

March 29, 2017

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Aumento Capital V Corporation (the "Corporation" or "Aumento") prepared as at and for the years ended December 31, 2016 and 2015 should be read in conjunction with the Corporation's annual financial statements for the years ended December 31, 2016 and 2015. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

The Corporation was incorporated under the Ontario Business Company Act on July 16, 2014 and, subsequent to the completion of its initial public offering on November 13, 2014, is a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the TSX Venture. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval. The Corporation received a six-month extension to complete its QT from the TSX-V.

On November 13, 2014 the Corporation completed its initial public offering (the "Offering") via the issuance of 1,015,000 common shares (the "Common Shares") at a purchase price of $0.60 per Common Share for gross proceeds of $609,000. Upon the closing of the Offering, there were 1,848,332 Common Shares issued and outstanding, of which 833,332 Common Shares were being held in escrow.

On November 12, 2016, 91,350 agent options were exercised for cash proceeds of $54,810.

The head office and the registered head office of the Corporation is located at 320 Bay Street, Suite 1600, Toronto, Ontario, M5H 4A6.

On March 29, 2017 the Board of Directors approved the audited financial statements for the year ended December 31, 2016.

Summary of Quarterly Results

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Total Assets	$643,622	$633,324	$643,896	$670,918	$676,999	$694,204
Total Revenues	nil	nil	nil	nil	nil	Nil
Total Expenses	$57,581	$10,572	$24,168	$6,081	$28,760	$616
Net Loss	$57,581	$10,572	$24,168	$6,081	$28,760	$616
Basic and diluted net loss per share	$0.06	$0.01	$0.02	$0.01	$0.02	$0.00

	June 30, 2015	March 30, 2015	December 31, 2014	September 30, 2014
Total Assets	$694,820	$700,672	$706,923	$242,489
Total Revenues	nil	nil	nil	nil
Total Expenses	$3,403	$6,251	$108,575	$22,245
Net Loss	$3,403	$6,251	$108,575	$22,245

Basic and diluted net loss per share	$0.00	$0.01	$0.40	$0.04

Results of Operations

Three months ended December 31, 2016

The Corporation recorded a net loss of $57,581 during the three months ended December 31, 2016. The net loss for the three-month period is due mainly to costs in relation to its listing on the Exchange and the legal fees related to its potential qualifying transaction.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred in the period from the date of incorporation (July 16, 2014) to December 31, 2016:

Material Costs	Period from July 16, 2014 (date of incorporation) To December 31, 2016
Share-based compensation	$82,500
Professional fees	$114,722
Filing fees	$64,779

Liquidity and Capital Resources

As at December 31, 2016, the Corporation had cash of $643,622. The Corporation had current liabilities of $23,069 and working capital of $620,553.

Negative cash flows of $88,187 were recorded from operating activities for the year ended December 31, 2016. The outflow was due to costs related primarily to the Corporation's potential QT. The Corporation had cash inflows of $54,810 from financing activities as a result of agent options being exercised.

Outstanding Share Data

As of the date of this MD&A, 1,939,682 common shares issued and outstanding, of which 833,332 common shares were being held in escrow.

On November 13, 2014, the Corporation completed its Initial Public Offering ("IPO") and issued 1,015,000 common shares at $0.60 per common share for gross proceeds of $609,000. The Corporation granted Canaccord Genuity Corp.(the "Agent"), its agent for the IPO, an option to acquire 101,500 common shares of the Corporation at a price of $0.60 per share exercisable for a period of 24 months from the date of the Corporation's common shares are listed on the TSX Venture Exchange. The Agent also received a cash commission equal to 10% of the gross proceeds of the IPO.

The Corporation's common shares commenced trading on the TSX Venture Exchange under the trading symbol "AMN.P" on November 13, 2014.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the year ended December 31, 2016, the Corporation incurred $61,804 (2015 - $6,212) in legal fees for services provided by a law firm whose partner is a director of the Corporation.

As at December 31, 2016, $13,068 (2015 - $2,854) is included in accounts payable and accrued liabilities for these services.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period ended December 31, 2016 (2015 - $NIL).

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital, contributed surplus and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and due to shareholders approximate fair value due to the relatively short term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation's significant accounting policies are summarized in Note 2 to the audited financial statements for the period ended December 31, 2016.

Future Changes in Accounting Policies

The following standards have been issued but are not yet effective:

- IFRS 9 – Financial Instruments

The Corporation is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material. There are additional new standards that have not been discussed as they are not expected to impact the Corporation.

SUBSEQUENT EVENT – QUALIFYING TRANSACTION

On March 2, 2017, the Corporation entered a definitive agreement with WeedMD RX Inc., ("WMD") to complete a transaction in which the shareholders of WMD will take-over the Corporation. The transaction will constitute the Corporation's Qualifying Transaction ("QT") as such defined in the policies of the TSX Venture Exchange.

As part of the above QT, on November 9, 2016 WMD closed a $7,600,000 convertible debenture unit financing with 7,600 units being issued at $1,000/unit, along with 1,333 warrants. The warrants are exercisable into common shares of WMD at an exercise price of $1.00 per share.

Additional Information

For further detail, see the Corporation's annual financial statements for the years ended December 31, 2016 and 2015. Additional information about the Corporation can also be found on SEDAR.

SCHEDULE "C"
WEEDMD FINANCIAL STATEMENTS

(see attached)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

WEEDMD RX INC.

Three and Nine Months Ended September 30, 2016
(Unaudited - Expressed in Canadian Dollars)

WeedMD Rx Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and Nine Months Ended September 30, 2016
(Unaudited)

CONTENTS

WeedMD Rx Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	September 30, 2016	December 31, 2015
Assets		
Current		
Cash	$ **818,416**	$ 848,369
Cash held in trust (Note 16)	**104,936**	111,200
Interest and other receivable	**30,496**	22,244
Prepaid expenses and deposit	**14,564**	22,392
Loans receivable (Note 6)	**67,200**	344,033
Other taxes receivable	**150,757**	107,001
Biological assets (Note 8)	**296,363**	-
	1,482,732$1,482 ,732.00	1,455,239
Property, plant and equipment (Note 9)	**1,624,319**	1,639,782
	$ **3,107,051**	$ 3,095,021
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 10)	$ **396,472**	$ 430,411
Loan payable (Note 11)	**500**	58,090
	396,972	488,501
Shareholders' equity		
Common shares (Note 12)	**8,791,463**	7,457,189
Contributed surplus	**746,000**	746,000
Deficit	**(6,827,384)**	(5,596,669)
	2,710,079	2,606,520
	$ **3,107,051**	$ 3,095,021

See accompanying notes to condensed interim consolidated financial statements

Approved:

Director ______________________________

Director ______________________________

WeedMD Rx Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine month periods ended September 30, 2016 and 2015

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, January 1, 2015	**33,289,583**	**$ 6,755,189**	**$ 746,000**	**$ (3,015,244)**	**$ 4,485,945**
Net loss		-	-	(2,665,329)	(2,665,329)
Balance, September 30, 2015	**33,289,583**	**$ 6,755,189**	**746,000**	**(5,680,573)**	**1,820,616**
Balance, January 1, 2016	**34,459,583**	**$ 7,457,189**	**$ 746,000**	**$ (5,596,669)**	**$ 2,606,520**
Issuance of common shares (Note 12)	1,948,990	1,461,742	-	-	1,461,742
Share issue costs (Note 12)		(127,468)			(127,468)
Net loss		-	-	(1,230,715)	(1,230,715)
Balance, September 30, 2016	**36,408,573**	**$ 8,791,463**	**$ 746,000**	**$ (6,827,384)**	**$ 2,710,079**

See accompanying notes to condensed interim consolidated financial statements

WeedMD Rx Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended September 30,		For the three months ended September 30,	
	2016	2015	**2016**	2015
Expenses				
Office and administration	**360,801**	51,862	**85,822**	14,289
Salaries and benefits	**355,865**	135,559	**141,398**	46,164
Consulting fees	**249,913**	215,246	**51,000**	65,000
Rent and occupancy costs	**240,499**	187,308	**94,885**	62,121
Share-based compensation	**150,000**	-	**150,000**	-
Amortization	**91,534**	9,071	**85,618**	3,024
Travel and accommodation	**47,213**	78,027	**13,947**	13,074
Business development	**19,977**	44,692	**7,247**	361
Professional fees	**19,430**	85,920	**7,832**	13,082
Loss on disposition of investments (Note 7)	**-**	1,951,193	**-**	1,951,193
Gain on change in fair value of biological assets	**(296,363)**	-	**(296,363)**	-
	1,238,869	2,758,878	**341,386**	2,168,308
Loss before other income and expenses	**(1,238,869)**	(2,758,878)	**(341,386)**	(2,168,308)
Other expenses (income)				
Interest income	**(15,365)**	(13,360)	**(3,262)**	(4,572)
Foreign exchange loss (gain)	**7,211**	(80,189)	**7,304**	(68,119)
	(8,154)	(93,549)	**(4,042)**	(72,691)
Net loss and comprehensive gain (loss)	**(1,230,715)**	(2,665,329)	**(337,344)**	(2,095,617)
Weighted average number of common shares outstanding	**34,784,644**	25,570,539	**35,222,830**	33,289,583
Basic and diluted loss per share	**(0.04)**	(0.10)	**(0.01)**	0.06

See accompanying notes to condensed interim consolidated financial statements

WeedMD Rx Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

For the nine month period ended September 30,	**2016**	2015
Cash flows provided by (used in):		
Operating		
Net loss	**$ (1,230,715)**	$ (2,665,329)
Adjustments for non-cash items:		
Amortization	**91,534**	9,071
Share-based compensation	**150,000**	-
Shares issued for services	**66,750**	-
Gain on change in fair value of biological assets	**(296,363)**	-
Loss on disposition of investments	**-**	1,951,193
Change in working capital items:		
Interest and other receivable	**(8,252)**	(13,259)
Prepaid expenses and deposit	**7,828**	49,557
Other taxes receivable	**(43,756)**	24,368
Accounts payable and accrued liabilities	**(33,939)**	(13,064)
	(1,296,912)	(657,463)
Investing		
Proceeds of disposition of investments	**-**	515,541
Purchase of investments	**-**	(2,354,856)
Loans receivable	**276,833**	(45,324)
Purchase of property, plant and equipment	**(76,072)**	(149,193)
	200,761	(2,033,832)
Financing		
Share issue costs	**(127,468)**	-
Loan payable	**(57,590)**	-
Proceeds from issuance of share capital	**1,244,992**	-
	1,059,934	-
Decrease in cash	**(36,217)**	(2,691,295)
Cash, beginning of period	**959,569**	2,804,592
Cash, end of period	**$ 923,352**	$ 113,297
Cash consists of:		
Cash	**$ 818,416**	$ 105,292
Cash held in trust	**104,936**	8,005
Cash, end of period	**$ 923,352**	$ 113,297

See accompanying notes to condensed interim consolidated financial statements

1. Nature of Operations and Going Concern

WeedMD Rx Inc. (the "Company" or "WeedMD") was incorporated on March 26, 2013 under the Canada Business Corporations Act as 8472106 Canada Inc. On January 7, 2014, the Company filed its articles of amendment and changed its name to WeedMD Rx Inc. and commenced operations. As of April 22, 2016, WeedMD was licensed to produce up to 100kg of medical cannabis under the federal Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Subsequently, this license was changed to increase the production capacity level to 500 kg. WeedMD's operations are based in Aylmer, Ontario in a 25,000 sq. ft. converted tobacco plant which has been retrofitted to produce, store and ship medical cannabis and has the potential to expand to 160,000 sq. ft.

The registered office of the Company is located at 250 Elm Street, Aylmer, Ontario, Canada N5H 2M8.

These consolidated financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that may be necessary should the Company be unable to continue as a going concern. Such adjustments may be material. The Company's continued existence as a going concern is dependent upon, amongst other things, its ability to continue to obtain adequate ongoing debt and/or equity financing with creditors, officers, directors and stakeholders. In addition, the Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations.

During the nine month period ended September 30, 2016 the Company incurred net loss of $1,230,715 (for the same period ended September 30, 2015 the net loss was $2,673,729) and, as of September 30, 2016, the Company has an accumulated deficit of $6,827,384 (December 31, 2015: $5,596,669). The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing. Although the Company has been successful in obtaining financing from related parties and private placements in the past, the Company will likely require continued support. These material uncertainties cast doubt about the Company's ability to continue as a going concern.

Subsequent to September 30, 2016, the Company successfully raised $7.6 million in convertible debentures (Note 18).

2. Financial Statements

Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 5.

Basis of consolidation

The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date control ceases. WMD Ventures Inc. and WeedMD Rx Ltd. are 100% subsidiaries of WeedMD. WMD Ventures (California), Inc. and WMD Ventures (Nevada), Inc. (100% subsidiaries of WeedMD) and TriCann LLC (73.5% subsidiary of WeedMD) were established in 2014 and were disposed as of December 31, 2015.

The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency of the consolidated financial statements.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

3. Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). The financial statements should be read in conjunction with the audited annual financial statements of WeedMD for the years ended December 31, 2015 and 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on March 21, 2017.

4. New Accounting Standards and Interpretations (Issued but not yet adopted)

(a) IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

(b) IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the International Accounting Standards Board ("IASB") in November 2009 and October 2010 and will replace IAS 39. IFRS 9 covers classification and measurement as the first part of its project to replace IAS 39. In October 2010, the IASB also incorporated new accounting requirements for liabilities. The standard introduces new requirements for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39. There are new requirements for the accounting of financial liabilities as well as a carryover of requirements from IAS 39. In 2013, the IASB also incorporated new accounting requirements for hedging and introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timelier basis. The effective date of this pronouncement has been set to be effective for annual periods beginning on or after January 1, 2018. The Company intends to adopt the amendments to IFRS 9 in its financial statements for the annual period beginning October 1, 2018.

(c) Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture

IAS 16 and IAS 41 are amended to:

include ‘bearer plants’ within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured at initial recognition on a cost or revaluation basis in accordance with IAS 16; introduce a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and Clarify that produce growing on bearer plants remains within the scope of IAS 41 Agriculture.

This amendment is applicable to annual periods beginning on or after January 1, 2016. Early adoption is permitted.

4. New Accounting Standards and Interpretations (Issued but not yet adopted) (continued)

(d) Disclosure Initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and

Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

This amendment is applicable to annual periods beginning on or after January 1, 2016.

(e) IFRS 16 Leases

IFRS 16 was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will reflect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases.

The Standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

(f) IAS7 Statement of Cash Flows

In January, 2016, the IASB issued the disclosure initiative amendments to IAS 7. The amendments are applied prospectively and is effective for annual periods beginning on or after January 1, 2017. The amendment will require entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes.

The Company has not yet completed its evaluation of the effect of adopting the above standards and amendments and the impact they may have on its consolidated financial statements

5. Significant Accounting Policies

The accounting policies applied by the Company in these Condensed Interim Consolidated Financial Statements are the same as those applied by the Company in its Consolidated Financial Statements for the year ended December 31, 2015 except for the following:

(a) Biological Assets

The Company measures biological assets consisting of medical cannabis plants at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of the finished goods inventories after harvest. Seeds are measured at fair market value.

(Unaudited - Expressed in Canadian Dollars)

5. Significant Accounting Policies (continued)

(b) Accounting Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments include those related to the ability of the Company to continue as a going concern, the determination of when property, plant and equipment are available for use as well as their useful lives, recoverability of taxes receivable, determination of functional currency, impairment of its financial and non-financial assets, and the determination of control and significant influence related to subsidiaries and investments.

The most significant estimates and assumptions include those related to the requirement for and magnitude of an allowance for impairment of loans receivable, the inputs used in accounting for share-based payment transactions, including volatility, the fair value of financial instruments, and the valuation of biological assets. In calculating the value of the biological assets, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. Management has determined that judgments, estimates and assumptions reflected in these condensed interim consolidated financial statements are reasonable.

6. Loans Receivable

	Promissory Note 1	Promissory Note 2	Total
Balance, as at January 1, 2015	**$ 203,018**	**$ 100,000**	**$ 303,018**
Additions	-	100,000	100,000
Repayment	-	(98,167)	(98,167)
Foreign exchange	39,182	-	39,182
Balance, as at December 31, 2015	**242,200**	**101,833**	**344,033**
Repayment	(175,000)	(101,833)	(276,833)
Assignment of note receivable	(67,200)	67,200	-
Balance, as at September 30, 2016	**$ -**	**$ 67,200**	**$ 67,200**

Promissory Note 1: On July 7, 2014, pursuant a promissory note agreement, US$175,000 (equivalent to Cdn$186,375) was loaned to an unrelated party. Such promissory note bears interest at 5% per annum and is due upon demand. During the nine months ended September 30, 2016 and 2015, US$7,431 (equivalent to Cdn$8,685) and US$6,562 (equivalent to Cdn$8,400) has been earned and recognized as interest income, respectively. During the three months ended September 30, 2016 and 2015, Cdn$3,036 and US$2,205 (equivalent to Cdn$2,883) has been earned and recognized as interest income, respectively. In 2016, upon an agreement of debt assignment, the balance of Promissory Note 1 was transferred to the holder of Promissory Note 2. Subsequent to September 20, 2016, $203,000 was collected.

Promissory Note 2: On October 16, 2014, pursuant a promissory note agreement, $100,000 was loaned to a related party. An additional $100,000 was loaned to the related party on February 4, 2015. Such promissory note bears interest at prime per annum +1.5%. The balance of the principal of this

(Unaudited - Expressed in Canadian Dollars)

6. Loans Receivable (continued)

promissory note shall at any time not exceed $200,000 and the promissory note is due upon demand. During the nine months ended September 30, 2016 and 2015, interest income of $6,680 and $4,960, respectively, has been earned and recognized as interest income. During the three months ended September 30, 2016 and 2015, interest income of $226 and $1,689, respectively, has been earned and recognized as interest income. At September 30, 2016 the principal and interest of such promissory note has been collected in full. In 2016, the related party assumed the note from the unrelated party (Promissory Note 1) under the same terms and conditions.

7. Investments

During the year ended December 31, 2014 WMD Ventures (Nevada), Inc. - a 100% subsidiary of WMD Ventures Inc. ("WMD") entered into an agreement to earn a 25% membership interest in Lone Mountain Partners, LLC, a Nevada based company. The principal purpose of this investment was to acquire the necessary licenses for, and to own and operate a medical marijuana cultivation, production and/or dispensary business. Pursuant to the operating agreement, WMD advanced Lone Mountain Partners, LLC $111,878 ($US 96,438) for start-up and legal fees in 2014. During the nine month period ended September 30, 2015 an additional $942,319 ($US 745,000) was advanced pursuant to the payment terms in the investment agreement and an additional $6,107 ($US 5,000) was transferred for legal fees. The membership interest was subject to WMD Ventures (Nevada) Inc. making a mandatory loan of $US 5 million to Lone Mountain Partners LLC. The loan was not made and significant influence was not obtained.

During the nine month period ended September 30, 2015, the Company decided cease business expansion in the US and exited its agreement with Lone Mountain LLC. On September 4, 2015, pursuant to a Redemption Agreement signed between Lone Mountain Partners, LLC and WMD Ventures (Nevada), Inc., the Company received a $515,541 ($US 390,000) redemption payment from Lone Mountain Partners LLC. The remaining cost of the investment was determined to be uncollectible, which resulted in a loss of $614,915 including a foreign exchange gain of $70,152.

During the nine month period ended September 30, 2015 TriCann LLC – a 73.5% subsidiary of WMD Ventures (California), Inc. entered into an asset purchase agreement with Aris Management LLC (“Aris”), a California based company through a 100% subsidiary of TriCann over which TriCann obtained significant influence but not control. The investment gave TriCann rights to a management contract to a California dispensary. Pursuant to the agreement the Company advanced $956,775 ($US 750,000) to Aris, an additional $449,655 was advanced for start-up and legal fees. During the nine month period ended September 30, 2015, the Company decided to cease business expansion in the US and entered into a purchase and sale agreement with Manlin LLC.

Loss on disposition of investments:

Lone Mountain Partners LLC	**$ 1,060,304**
TriCann LLC	**1,406,430**
	2,466,734
Less: proceeds from dispositions	**(515,541)**
Loss on disposition of investments	**$ 1,951,193**

Subsequent to September 30, 2015, the Company incurred further costs and received $1,104,000 (US$800,000) as proceeds of the disposition of the investment.

(Unaudited - Expressed in Canadian Dollars)

8. Biological Assets

The Company's biological assets consists of seeds and medical cannabis plants.

The Company's biological assets as at September 30, 2016 are comprised of:

Carrying amount, January 1, 2016	**$**	**-**
Changes in fair value less costs to sell due to biological transformation		296,363
Carrying amount, September 30, 2016	**$**	**296,363**

All of the plants are to be harvested as agricultural produce (i.e., medical cannabis). All of the plants are between one and twelve weeks from harvest.

The significant assumptions used in determining the fair value of medical cannabis plants are as follows:

- Wastage of plants based on their various stages;
- Yield by plant;
- Percentage of costs incurred to date compared to the total costs to be incurred are used to estimate the fair value of an in-process plant;
- Percentage of costs incurred for each stage of plant growth was estimated.

The Company estimates the harvest yields for the plants at various stages of growth. As of September 30, 2016, it is expected that the Company's biological assets will yield approximately 79,000 grams. The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield will be reflected in future changes in the gain or loss on biological assets.

9. Property, Plant and Equipment

	Leasehold improvement	Security equipment	Equipment	Furniture and fixtures	Fence and signage	Total
Cost						
Balance, January 1, 2015	$ 1,098,164	$ 124,731	$ 66,340	$ 55,195	$ 6,981	$ 1,351,411
Additions	51,071	195,627	37,699	21,587	-	305,984
Balance, December 31, 2015	1,149,235	320,358	104,039	76,782	6,981	1,657,395
Additions	43,457	6,722	25,893	-	-	76,072
Balance, September 30, 2016	$ 1,192,692	$ 327,080	$ 129,932	$ 76,782	$ 6,981	$ 1,733,467
Accumulated amortization						
Balance, January 1, 2015	$ -	$ -	$ -	$ (5,519)	$ -	$ (5,519)
Amortization	-	-	-	(12,094)	-	(12,094)
Balance, December 31, 2015	-	-	-	(17,613)	-	(17,613)
Amortization	(59,635)	(16,354)	(6,497)	(8,875)	(174)	(91,534)
Balance, September 30, 2016	$ (59,635)	$ (16,354)	$ (6,497)	$ (26,488)	$ (174)	$ (109,148)
Net book value, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 59,169	$ 6,981	$ 1,639,782
Net book value, September 30, 2016	$ 1,133,057	$ 310,726	$ 123,435	$ 50,294	$ 6,807	$ 1,624,319

(Unaudited - Expressed in Canadian Dollars)

9. Property, Plant and Equipment (continued)

No amortization expense has been charged for the years ended December 31, 2014 and 2015 as the Company's property, plant and equipment were not in the location and condition ready for them to be used in the manner intended by management except for furniture and fixtures, which commenced amortization as it was ready for use.

Starting July 1, 2016, the Company commenced the cultivation of its products and commenced recording amortization of its assets.

10. Accounts Payable and Accrued Liabilities

		September 30, 2016		December 31, 2015
Trade payables	**$**	**10,061**	$	63,071
Accrued liabilities		**323,911**		304,840
Finders liabilities		**62,500**		62,500
	$	**396,472**	$	430,411

As at September 30, 2016 and December 31, 2015, within the total outstanding accounts payable and accrued liabilities of $88,430 and $101,366 respectively, were payable or accrued for Key management regarding services rendered (Note 13).

11. Loan Payable

Loan payable of $500 (December 31, 2015: $58,090) is due to a related party, is non-interest bearing, unsecured and is due on demand (Note 13). Such loan payable balance has been repaid in full after September 30, 2016.

12. Share capital

Authorized
Unlimited common shares

	Number of Common Shares		Amount
Balance as at January 1, 2015	**33,289,583**	$	6,755,189
Share-based Compensation 2015 (i)	**1,170,000**		702,000
Balance as at December 31, 2015	**34,459,583**	$	7,457,189
Private placement - May 2016 (ii)	**588,999**		441,750
Private placement - September 2016 (iii)	**1,070,990**		803,242
Share-based Compensation (iv)	**200,000**		150,000
Shares issued for services (v)	**89,001**		66,750
	36,408,573		8,918,931
Less: share issue costs			(127,468)
Balance as at September 30, 2016	**36,408,573**	$	8,791,463

(Unaudited - Expressed in Canadian Dollars)

12. Share capital (continued)

(i) During the fourth quarter of 2015, the Company issued 1,170,000 shares (including 1,000,000 shares issued to key management of the Company) as debt settlement of management fees, employee salaries and consultant fees at a fair value of $0.60 per share (Note 13).
(ii) On May 30, 2016, the Company closed a private placement equity financing of $441,750 and issued 588,999 common shares at a price of $0.75 per share.
(iii) On September 19, 2016, the Company closed a private placement equity financing of $803,242 and issued 1,070,990 common shares at a price of $0.75 per share.
(iv) On September 20, 2016, the Company issued 200,000 common shares as debt settlement of consultant fees at a fair value of $0.75 per share.
(v) On September 20, 2016, the Company issued 89,001 common shares in exchange of services at a fair value of $0.75 per share.

13. Related party transactions

The Company's key management includes CEO, CFO, Directors and the Secretary of the Board. For disclosure purposes, one senior officer of the Company is considered a related party as well due to his significant shareholdings and/or abilities to contribute to the Company's decision making process. Transactions with related parties include:

Salaries and service fee;
Loans payable without bearing interest and due at demand; and
Loans receivable with interest rate as the prime rate per annum +1.5% and due at demand.

The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms.

The balances outstanding are as follows:

	September 30, 2016	December 31, 2015
Loan payable (Note 11)	**$ (500)**	$ (58,090)
Accounts payable and accrued liabilities	**(88,430)**	(101,366)
Loans receivable (Note 6)	**67,200**	101,833
Interest receivable	**$ 942**	$ 4,943

For the nine and three month periods ended September 30, 2016 and 2015, total remuneration/service fees paid and interest income earned to/from the key management is as follows:

	9 months September 30, 2016	9 months September 30, 2016	**3 months September 30, 2016**	3 months September 30, 2016
Interest income	**3,917**	4,859	**3,262**	2,883
Salaries	**207,692**	-	**69,231**	-
Fees	**90,000**	138,821	**30,000**	25,300

14. Lease Commitments

The Company leases its 25,620 sq. ft. premises in Aylmer, Ontario for a term of 5 years starting May 1, 2014 for a base rent of $16,013 per month plus applicable taxes. The Company has an option to extend the lease for an additional 3 terms of 5 years each. In addition, the Company has an option to purchase the property for $1,500,000 anytime during the term of the lease.

2016	$	48,038
2017	$	192,150
2018	$	192,150
2019	$	192,150
2020	$	64,020

15. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The Company does not have long term liabilities as at September 30, 2016 and December 31, 2015.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk. The company is minimally exposed to interest rate risk.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is not exposed to any significant credit risk other than loans receivable. Cash is generally invested in cash accounts held in Canadian chartered banks. Of the Company's loans receivable disclosed in Note 6, one was collected in full subsequent to year-end and a significant portion of the other was also collected subsequent to year-end and is expected to be realized in the twelve months after year-end. Management believes the risk of loss associated with these assets to be remote. Management believes that the credit risk concentration with respect to financial instruments included in assets has been reduced to the extent presently practicable.

(d) Foreign exchange risk

The Company is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Company by a customer or lender, or that an obligation in a foreign currency was made to the Company to a supplier or partner, is different at the time of settlement than it was at time that the obligation was determined. The Company reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made to the Company. The Company did not have any hedges at the time that the financial statements were issued. The Company does not utilize financial instruments to manage its foreign exchange risk. In the opinion of management, the foreign exchange risk exposure to the Company is low and is

15. Financial Instruments (continued)

not material. As at September 30, 2016, the Company held cash and cash held in trust in US dollars of $89,095 (Cdn$116,866 (December 31, 2015 - $9,095 (Cdn$12,970). A 10% change in foreign exchange rates would impact net loss by approximately $8,910, (December 31, 2015 - $400).

(e) Liquidity risk

The Company does have a liquidity risk in the accounts payable and accrued liabilities of $396,472. Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate working capital to repay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the Company is low.

(f) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

16. Cash Held in Trust

As at September 30, 2016 and December 31, 2015, the Company is holding USD $80,000 (equivalent to Cdn$104,936; December 31, 2015 - $111,200) in trust for a holdback period of one year, for purposes of disposition of US investments.

17. Capital Management

The Company includes equity, comprised of common shares, contributed surplus and deficit, in the definition of capital. The Company’s objectives when managing capital are as follows:

(i) To safeguard the Company’s assets and ensure the Company’s ability to continue as a going concern; and

(ii) To raise sufficient capital to achieve the ongoing business objectives including funding of future growth opportunities and meeting its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on the general economic conditions, the Company’s short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

18. Subsequent Events

Financing

On November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

The Transaction

On November 9, 2016, WeedMD Rx Inc. and Aumento Capital V Corporation (“Aumento”) entered into a letter of agreement to complete a transaction that will result in a reverse take-over of Aumento by the shareholders of WeedMD (the "Transaction"). The Transaction will constitute the liquidity event referred to above in regard to the Convertible Debenture Financing. Aumento intends for the Transaction to constitute its "Qualifying Transaction" as defined in the policies of the TSX Venture Exchange ("TSXV"). Pursuant to the Transaction, Aumento will acquire all of the common shares of WeedMD by exchanging 1.25 common shares of Aumento for each common share of WeedMD (the "Exchange Ratio"). The warrants issued pursuant to the Convertible Debenture Financing will be exchanged for similar securities of Aumento and will have their respective terms, including exercise price and value, adjusted according to the Exchange Ratio. On March 3, 2017 - WeedMD and Aumento entered into a definitive acquisition agreement for the Transaction. The Transaction is subject to requisite regulatory approval, including the approval of the TSXV.

CONSOLIDATED FINANCIAL STATEMENTS

WEEDMD RX INC.

December 31, 2015 and 2014

(Expressed in Canadian Dollars)

WeedMD Rx Inc.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2015 and 2014

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of WeedMD Rx Inc.

We have audited the accompanying consolidated financial statements of WeedMD Rx Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2015 and December 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of WeedMD Rx Inc. and its subsidiaries, as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
February 23, 2017

MANAGEMENT RESPONSIBILITY STATEMENT

The management of WeedMD Rx Inc. is responsible for preparing the consolidated financial statements, the notes to the consolidated financial statements and other financial information contained in these financial statements.

Management prepares the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements are considered by management to present fairly the management's financial position and results of operations.

The company, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the consolidated financial statements.

Bruce Dawson-Scully, Director
February 23, 2017

WeedMD Rx Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at December 31	2015	2014
Assets		
Current		
Cash	**$ 848,369**	$ 964,079
Cash held in trust (Note 18)	**111,200**	1,840,513
Interest and other receivable	**22,244**	7,032
Prepaid expenses and deposit	**22,392**	62,734
Loans receivable (Note 6)	**344,033**	-
Other taxes receivable	**107,001**	46,327
	1,455,239	2,920,685
Loans receivable (Note 6)	**-**	303,018
Deposit on investment (Note 7)	**-**	111,878
Property, plant and equipment (Note 8)	**1,639,782**	1,345,893
	$ 3,095,021	$ 4,681,474
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 9)	**$ 430,411**	$ 195,529
Loan payable (Note 10)	**58,090**	-
	488,501	195,529
Shareholders’ equity		
Common shares (Note 11)	**7,457,189**	6,755,189
Contributed surplus (Note 12)	**746,000**	746,000
Deficit	**(5,596,669)**	(3,015,244)
	2,606,520	4,485,945
	$ 3,095,021	$ 4,681,474

See accompanying notes to consolidated financial statements

Approved:

Director ______________________________

Director ______________________________

WeedMD Rx Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, January 1, 2014	20,080,000	$ 2,008	$ -	$ -	$ 2,008
Issuance of common shares (Note 11)	13,209,583	7,156,800	-	-	7,156,800
Share issue costs	-	(403,619)	-	-	(403,619)
Warrants issuance (Note 12)	-	-	746,000	-	746,000
Net loss		-	-	(3,015,244)	(3,015,244)
Balance, December 31, 2014	**33,289,583**	**6,755,189**	**746,000**	**(3,015,244)**	**4,485,945**
Issuance of common shares (Note 11)	1,170,000	702,000	-	-	702,000
Net loss		-	-	(2,581,425)	(2,581,425)
Balance, December 31, 2015	**34,459,583**	**$ 7,457,189**	**$ 746,000**	**$ (5,596,669)**	**$ 2,606,520**

See accompanying notes to consolidated financial statements

WeedMD Rx Inc.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

Years ended December 31		2015		2014
Expenses				
Share-based compensation (Note 11)	**$**	**702,000**	$	242,000
Consulting fees		**249,716**		188,152
Rent and occupancy costs		**243,797**		174,550
Salaries and benefits		**206,439**		258,880
Professional fees		**152,326**		352,615
Travel and accommodation		**82,005**		152,754
Office and administration		**75,303**		254,995
Business development		**45,814**		61,398
Amortization		**12,094**		5,519
Share-based compensation for strategic partnership (Note 14)		**-**		1,402,250
Loss on disposition of investments (Note 7)		**957,513**		-
Loss before other income and expenses		**(2,727,007)**		(3,093,113)
Other income				
Interest income		**(17,422)**		(6,469)
Foreign exchange gain		**(128,160)**		(71,400)
		(145,582)		(77,869)
Net loss and comprehensive loss	**$**	**(2,581,425)**	$	(3,015,244)
Weighted average number of common shares outstanding		**33,012,021**		27,229,561
Basic and diluted loss per share	**$**	**(0.08)**	$	(0.11)

See accompanying notes to consolidated financial statements

WeedMD Rx Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Year ended December 31	2015	2014
Cash flows provided by (used in):		
Operating		
Net loss	**$ (2,581,425)**	$ (3,015,244)
Adjustments for non-cash items		
Amortization	**12,094**	5,519
Loss on disposition of investments	**957,513**	-
Shares issued for strategic partnership (Note 14)	**-**	593,750
Share-based compensation	**702,000**	242,000
Warrants issued for strategic partnership (Note 14)	**-**	746,000
	(909,818)	(1,427,975)
Change in working capital items		
Interest and other receivable	**(13,739)**	(6,620)
Prepaid expenses and deposit	**40,342**	(62,734)
Other taxes receivable	**(60,674)**	(46,327)
Accounts payable and accrued liabilities	**173,986**	195,529
	(769,903)	(1,348,127)
Investing		
Proceeds of disposition on investments	**1,619,541**	-
Loans receivable	**(2,000)**	(286,025)
Purchase of property, plant and equipment	**(305,983)**	(1,351,412)
Purchase of investments	**(2,404,280)**	(111,878)
	(1,092,722)	(1,749,315)
Financing		
Loan payable	**58,090**	-
Share issue costs	**-**	(362,067)
Proceeds from issuance of share capital	**-**	6,281,506
	58,090	5,919,439
(Decrease) increase in cash	**(1,804,535)**	2,821,997
Foreign exchange adjustment	**(40,488)**	(17,405)
Cash, beginning of year	**2,804,592**	-
Cash, end of year	**$ 959,569**	$ 2,804,592
Cash consists of:		
Cash	**$ 848,369**	$ 964,079
Cash held in trust	**111,200**	1,840,513
Cash, end of year	**$ 959,569**	$ 2,804,592

See accompanying notes to consolidated financial statements

1. Nature of Operations and Going Concern

WeedMD Rx Inc. (the "Company" or "WeedMD") was incorporated on March 26, 2013 under the Canada Business Corporations Act as 8472106 Canada Inc. On January 7, 2014, the Company filed its articles of amendment and changed its name to WeedMD Rx Inc. and commenced operations. WeedMD is a medical marijuana company and as of April 22, 2016 is licensed to produce up to 100kg of medical cannabis under the federal Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company's license was subsequently amended to increase the production capacity up to 500kg. WeedMD's operations are based in Aylmer, Ontario in a 25,000 sq. ft. converted tobacco plant which has been retrofitted for medical marijuana and has the potential to expand to 160,000 sq. ft.

The registered office of the Company is located at 250 Elm Street, Aylmer, Ontario, Canada N5H 2M8.

These consolidated financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that may be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

During the year ended December 31, 2015 the Company incurred net loss of $2,581,425 (year ended December 31, 2014: $3,015,244) and, as of December 31, 2015, the Company has an accumulated deficit of $5,596,669 (December 31, 2014: $3,015,244). The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing. The Company's continued existence as a going concern is dependent upon, amongst other things, its ability to continue to obtain adequate ongoing debt and/or equity financing with creditors, officers, directors and stakeholders. In addition, the Company's ability to continue as a going concern is dependent upon obtaining a license to sell medical marijuana and generate positive cash flows from operations. Although the Company has been successful in obtaining financing from related parties and private placements in the past, the Company will likely require continued support. These material uncertainties cast doubt about the Company's ability to continue as a going concern.

Subsequent to the year end, the Company successfully raised $1.2 million in equity financings and $7.6 million in convertible debentures (Note 20).

2. Financial Statements

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis.

Basis of consolidation

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. WMD Ventures Inc. and WeedMD Rx Ltd. are 100% subsidiaries of WeedMD. WMD Ventures (California), Inc. and WMD Ventures (Nevada), Inc. (100% subsidiaries of WeedMD) and TriCann LLC (73.5% subsidiary of WeedMD) were established in 2014 and were disposed as of December 31, 2015.

2. Financial Statements (Continued)

Basis of consolidation (Continued)

The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency of the consolidated financial statements.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

3. Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board ("IASB") and their interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors for issue on February 23, 2017.

4. New Accounting Standards and Interpretations (Issued but not yet adopted)

(a) IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

(b) IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the International Accounting Standards Board ("IASB") in November 2009 and October 2010 and will replace IAS 39. IFRS 9 covers classification and measurement as the first part of its project to replace IAS 39. In October 2010, the IASB also incorporated new accounting requirements for liabilities. The standard introduces new requirements for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39. There are new requirements for the accounting of financial liabilities as well as a carryover of requirements from IAS 39. In 2013, the IASB also incorporated new accounting requirements for hedging and introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timelier basis. The effective date of this pronouncement has been set to be effective for annual periods beginning on or after January 1, 2018. The Company intends to adopt the amendments to IFRS 9 in its financial statements for the annual period beginning October 1, 2018.

(c) Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture

IAS 16 and IAS 41 are amended to:

include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured at initial recognition on a cost or revaluation basis in accordance with IAS 16;

4. New Accounting Standards and Interpretations (Issued but not yet adopted) (Continued)

(c) Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture (Continued)

introduce a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and Clarify that produce growing on bearer plants remains within the scope of IAS 41 Agriculture.

This amendment is applicable to annual periods beginning on or after January 1, 2016. Early adoption is permitted.

(d) Disclosure Initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity’s share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and

Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

This amendment is applicable to annual periods beginning on or after January 1, 2016.

(e) IFRS 16 Leases

IFRS 16 was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will reflect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases.

The Standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

(f) IAS7 Statement of Cash Flows

In January, 2016, the IASB issued the disclosure initiative amendments to IAS 7. The amendments are applied prospectively and is effective for annual periods beginning on or after January 1, 2017. The amendment will require entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes.

The Company has not yet completed its evaluation of the effect of adopting the above standards and amendments and the impact they may have on its consolidated financial statements.

5. Significant Accounting Policies

(a) Basis of measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs.

(b) Accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments include those related to the ability of the Company to continue as a going concern, the determination of when property, plant and equipment are available for use as well as their useful lives, recoverability of taxes receivable, determination of functional currency, impairment of its financial and non-financial assets, and the determination of control and significant influence related to subsidiaries and investments. The most significant estimates and assumptions include those related to the requirement for and magnitude of an allowance for impairment of loans receivable, the inputs used in accounting for share-based payment transactions and in the valuation of warrants, including volatility, and the fair value of financial instruments. Management has determined that judgments, estimates and assumptions reflected in these consolidated financial statements are reasonable.

(c) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated amortization. The Company provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Equipment	20%	Declining balance
Furniture and fixtures	20%	Declining balance
Leasehold improvements	5 years	Straight-line
Security equipment	20%	Declining balance
Fence and signage	10%	Declining balance

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

(d) Investments

Investment in entities not controlled but subjected to significant influence are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss and any dividends received from the investment. The Company's share of net income is included in the statement of comprehensive loss. The Company invested into and disposed of its only significant influence investment during 2015, with the related loss on the investment included in the consolidated statement of loss and comprehensive loss.

5. Significant Accounting Policies (Continued)

(e) Impairment of long-lived assets

At each reporting date the Company tests long-lived assets for indicators of impairment. Whenever there are indicators of impairment, an estimate of the asset’s recoverable amount is calculated. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income for the period.

(f) Share-based compensation

Where equity-settled share payments are awarded to management, employees and consultants, the fair value of the equity instruments at the date of grant is charged to the consolidated statement of loss and comprehensive loss as an expense over the period during which the share-based payments vest. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of shares that eventually vest. Non-vesting conditions are factored into the fair value of the common shares and/or options granted. The cumulative expense is not adjusted where a non-vesting condition is not satisfied. Where the terms and conditions are modified before they vest, any increase in the fair value of the shares, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be estimated reliably, the goods or services received, and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted, determined at the date the entity obtains the goods or the counterparty renders service.

5. Significant Accounting Policies (Continued)

(g) Foreign currency translation

Transactions denominated in foreign currencies are initially recorded in functional currency using exchange rates in effect at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the consolidated statements of loss and comprehensive loss.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases. As of December 31, 2015 and 2014, the Company did not have any finance leases.

Operating leases payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

(j) Related party transactions

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

(k) Share issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received net of tax. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

(l) Warrants

In situations where the Company issues warrants, the fair value of warrants, as calculated as of the date of issue using the Black-Scholes pricing model, is included in the Company's contributed surplus.

5. Significant Accounting Policies (Continued)

(m) Income taxes

Income tax on the consolidated statement of loss and comprehensive loss comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

(n) Financial instruments

The Company's financial instruments are comprised of the following:

Financial assets	Classification
Cash	Loans and receivables
Cash held in trust	Loans and receivables
Loans receivable	Loans and receivables
Interest and other receivable	Loans and receivables

Financial liabilities	Classification
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest and any transaction costs over the relevant period.

5. Significant Accounting Policies (Continued)

(n) Financial instruments (Continued)

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities are derecognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been negatively impacted.

Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or re organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loans receivable, where the carrying amount is reduced through the use of an allowance account. When a loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of loss and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of loss and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized

(Expressed in Canadian Dollars)

6. Loans Receivable

	Promissory Note 1	Promissory Note 2	Total
Balance, January 1, 2014	**$ -**	**$ -**	**$ -**
Additions	186,375	100,000	286,375
Foreign exchange	16,643	-	16,643
Balance, December 31, 2014	**203,018**	**100,000**	**303,018**
Additions	-	100,000	100,000
Collection	-	(98,167)	(98,167)
Foreign exchange	39,182	-	39,182
Balance, December 31, 2015	**$ 242,200**	**$ 101,833**	**$ 344,033**

Promissory Note 1: On July 7, 2014, pursuant a promissory note agreement, US$175,000 (equivalent to Cdn$186,375) was loaned to an unrelated party. Such promissory note bears interest at 5% per annum and is due upon demand. The principal of this promissory note was outstanding as at December 31, 2015 and 2014. During the years ended December 31, 2015 and 2014, foreign exchange gains of $39,182 and $16,643, respectively, have been recognized. Interest income of US$8,750 (equivalent to Cdn$11,200) and US$4,243 (equivalent to Cdn$5,253) has been earned and recognized as interest income. Subsequent to December 31, 2015, $203,000 has been collected by the Company.

Promissory Note 2: On October 16, 2014, pursuant a promissory note agreement, $100,000 was loaned to a related party. An additional $100,000 was loaned to this related party on February 4, 2015. Such promissory note bears interest at prime per annum +1.5%. The balance of the principal of this promissory note shall at any time not exceed $200,000 and the promissory note is due upon demand. During the years ended December 31, 2015 and 2014, interest income of $6,121 and $931, respectively, has been earned and recognized as interest income. At December 31, 2015, $4,943 of interest remained receivable (December 31, 2014 - $931). Subsequent to December 31, 2015, the loan has been collected in full.

7. Investments

(i) Deposit on investment – Lone Mountain Partners LLC

	December 31, 2015	December 31, 2014
Deposit on investment in Lone Mountain Partners LLC	**$ -**	$ 111,878

During the year ended December 31, 2014 WMD Ventures (Nevada), Inc. - a 100% subsidiary of WMD Ventures Inc. ("WMD") entered into an agreement to earn a 25% membership interest in Lone Mountain Partners, LLC, a Nevada based company. The principal purpose of this investment was to acquire the necessary licenses for, and to own and operate a medical marijuana cultivation, production and/or dispensary business. Pursuant to the agreement, WMD advanced Lone Mountain Partners, LLC $111,878 ($US 96,438) for start-up and legal fees in 2014. During the year ended December 31, 2015 an additional $942,319 ($US 745,000) was advanced pursuant to the payment terms in the agreement and an additional $6,107 ($US 5,000) was transferred for legal fees. The membership interest was subject to WMD Ventures (Nevada), Inc. making a mandatory loan of $US 5 million to Lone Mountain Partners LLC. The loan was not

(Expressed in Canadian Dollars)

7. Investments (Continued)

(i) Deposit on investment – Lone Mountain Partners LLC (Continued)

made and significant influence was not obtained. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and exited its agreement with Lone Mountain LLC. On September 4, 2015, pursuant to a Redemption Agreement signed between Lone Mountain Partners, LLC and WMD Ventures (Nevada), Inc., the Company received a $515,541 ($US 390,000) redemption payment from Lone Mountain Partners LLC. The remaining advances made were determined to be uncollectible which resulted in a loss of $614,916 inluding a foreign exchange gain of $70,152 in 2015.

(ii) Asset purchase agreement – TriCann LLC

During the year ended December 31, 2015 TriCann LLC – a 73.5% subsidiary of WMD Ventures (California), Inc. entered into an asset purchase agreement with Aris Management LLC (“Aris”), a California based company through a 100% subsidiary of TriCann over which TriCann obtained significant influence but not control. The investment gave TriCann rights to a management contract to a California dispensary. Pursuant to the agreement the Company advanced $956,775 ($US 750,000) to Aris, an additional $499,079 was advanced and $60,896 was accrued for start-up and legal fees. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and entered into a purchase and sale agreement with Manlin LLC. The Company received $1,104,000 (US $800,000) as proceeds of disposition of the investment. Disposition of this investment resulted in loss of $533,223 including a foreign exchange gain of $120,473.

(iii) Loss on disposition of investments:

In the year ended December 31, 2015 the Company disposed of the following investments resulting in a loss on disposition of $957,513.

		2015
Lone Mountain Partners LLC	**$**	**1,060,304**
TriCann LLC		**1,516,750**
		2,577,054
Less: proceeds from dispositions		**(1,619,541)**
Loss on disposition of investments	**$**	**957,513**

(Expressed in Canadian Dollars)

8. Property, Plant and Equipment

	Leasehold improvement	Security equipment	Equipment	Furniture and fixtures	Fence and signage	Total
Cost						
Balance, January 1, 2014	$ -	$ -	$ -	$ -	$ -	$ -
Additions	1,098,164	124,731	66,340	55,195	6,981	1,351,412
Balance, December 31, 2014	1,098,164	124,731	66,340	55,195	6,981	1,351,412
Additions	51,071	195,627	37,699	21,587	-	305,984
Balance, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 76,782	$ 6,981	$ 1,657,395
Accumulated amortization						
Balance, January 1, 2014	$ -	$ -	$ -	$ -	$ -	$ -
Amortization	-	-	-	(5.519)	-	(5,519)
Balance, December 31, 2014	-	-	-	(5,519)	-	(5,519)
Amortization	-	-	-	(12,094)	-	(12,094)
Balance, December 31, 2015	$ -	$ -	$ -	$ (17,613)	$ -	$ (17,613)
Net book value, December 31, 2014	$ 1,098,164	$ 124,731	$ 66,340	$ 49,676	$ 6,981	$ 1,345,893
Net book value, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 59,169	$ 6,981	$ 1,639,782

No amortization expense has been charged for the years ended December 31, 2014 and 2015 as the Company's property, plant and equipment were not in the location and condition ready for them to be used in the manner intended by management except for furniture and fixtures, which commenced amortization as it was ready for use.

9. Accounts Payable and Accrued Liabilities

	December 31, 2015	December 31, 2014
		$
Trade payables	**$ 63,071**	62,059
Accrued liabilities	**304,840**	70,970
Finders liabilities	**62,500**	62,500
	$ 430,411	$ 195,529

As at December 31, 2015 and 2014, within the total outstanding accounts payable and accrued liabilities, $101,366 and $11,446, respectively, were payable or accrued for Key management regarding services rendered (Note 15).

10. Loan Payable

Loan payable of $58,090 is due to a key member of management, is non-interest bearing, unsecured and is due on demand.

(Expressed in Canadian Dollars)

11. Share capital

Authorized
Unlimited common shares

	Number of Common Shares		Amount
Balance as at January 1, 2014 (Founders Stock)	**20,080,000**	$	2,008
Private Placement One (Feb 10, 2014) (i)	**1,650,000**		825,000
Private Placement One (Apr 2, 2014) (ii)	**4,517,000**		2,258,500
Private Placement Two (July 9, 2014) (iii)	**3,333,333**		2,000,000
Private Placement Two (Aug 12, 2014) (iv)	**1,993,332**		1,195,999
Share-based Compensation 2014 (v)	**528,418**		283,551
Shares issued for Strategic Partnership (vi)	**1,187,500**		593,750
Balance as at December 31, 2014	**33,289,583**		7,158,808
Less: share issue costs			(403,619)
	33,289,583		6,755,189
Share-based Compensation 2015 (vii)	**1,170,000**		702,000
Balance as at December 31, 2015	**34,459,583**	$	7,457,189

(i) $0.50 Private Placement Financing - First Closing - On February 10, 2014, the Company issued 1,650,000 common shares at $0.50 per share for gross proceeds of $825,000.
(ii) $0.50 Private Placement Financing - Second Closing - On April 2, 2014, the Company issued 4,517,000 common shares at $0.50 per share for gross proceeds of $2,258,500.
(iii) $0.60 Private Placement Financing - First Closing - On July 9, 2014, the Company issued 3,333,333 common shares at $0.60 per share for gross proceeds of $2,000,000.
(iv) $0.60 Private Placement Financing - Second Closing - On August 12, 2014, the Company issued 1,993,332 common shares at $0.60 per share for gross proceeds of $1,195,999.
(v) During the year ended December 31, 2014, the Company issued 528,418 shares as debt settlement of management fees, employee salaries and consultant fees. 335,000 shares were issued at a fair value of $0.50 per share and 193,418 shares were issued at a fair value of $0.60 per share.
(vi) In connection with the strategic partnership described in Note 14, the Company issued 1,187,500 shares to United Cannabis Corporation. Since the fair value of the good or services received cannot be estimated reliably, the shares issued were value at $0.50 per share based on the price of most recently completed private placement.
(vii) During the year ended December 31, 2015, the Company issued 1,170,000 shares (including 1,000,000 shares issued to key management of the Company) as debt settlement of management fees, employee salaries and consultant fees at a fair value of $0.60 per share (Note 15).

12. Warrants

	Number of Warrants		December 31, 2014
Issued during the year ended December 31, 2014	**3,000,000**	$	746,000
Expired during the year ended December 31, 2014	**(3,000,000)**		746,000
Balance, December 31, 2014 and 2015	**-**	$	-

(Expressed in Canadian Dollars)

12. Warrants (Continued)

On May 28, 2014, the Company issued 3,000,000 warrants to United Cannabis Corp. (see Note 14) with an exercise price of $0.50. The fair value of the warrants was determined using the Black-Scholes pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 189%; (iii) risk-free interest rate of 1.03%; (iv) share price of $0.50; forfeiture rate of nil, and (v) expected life of 6 months. The expected volatility is based on the trading prices of comparable companies. The warrants vested immediately and the Company recognized an expense of $746,000 in the consolidated statement of loss and comprehensive loss.

13. Income Taxes

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax expense in the consolidated financial statements:

	December 31, 2015	December 31, 2014
Loss for the year before income taxes	**$ (2,581,425)**	$ (3,015,244)
Statutory rate	**26.50%**	26.50%
Expected income tax recovery	**$ (684,078)**	$ (799,040)
Non-deductible expenses	**186,030**	435,726
Temporary differences and other	**(4,175)**	(83,376)
Change in deferred tax assets not recognized	**502,223**	446,690
Income tax expense	**$ -**	$ -

Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	December 31, 2015	December 31, 2014
Deferred tax assets (liabilities)		
Non-capital loss carry forwards	**$ 890,044**	$ 378,526
Share issue costs	**50,026**	66,701
Other	**8,842**	1,463
Total deferred income tax assets	**948,912**	446,690
Deferred income tax assets not recognized	**(948,912)**	(446,690)
Net deferred income tax assets	**$ -**	$ -

(Expressed in Canadian Dollars)

13. Income Taxes (Continued)

Loss Carry Forwards

As at December 31, 2015, the Company has non-capital tax loss carry forwards of $3,358,658 expiring as follows:

2034	$	1,428,401
2035		1,930,257
	$	3,358,658

14. Share-based compensation for strategic partnership

In the year ended December 31, 2014 United Cannabis Corporation ("UCC"), a Colorado-based bio cannabinoid technology, management and consulting company, and WeedMD established an exclusive strategic partnership to assist in all aspects of the growing, production and distribution of medical marijuana in Canada. The agreement also positioned United Cannabis and WeedMD as 50/50 partners to invest in future potential projects in Canada and in the US. This partnership was focused on scientific research, product development and implementation of its proprietary cannabinoid therapy program. Pursuant to the agreement UCC agreed to provide services and expertise to the WeedMD, in consideration of these services WeedMD issued 1,187,500 common shares (Note 11) valued at $593,750, 3,000,000 warrants (Note 12) valued at $746,000, and incurred $62,500 in finder's fee. The finder's fee was to be satisfied through the issuance of 125,000 common which remain unissued as at December 31, 2015. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and as a result terminated its agreement with UCC.

15. Related Party Transactions

The Company's key management includes CEO, CFO, Directors and the Secretary of the Board. For disclosure purposes, one senior officer of the Company is considered a related party as well due to his significant shareholdings and/or abilities to contribute to the Company's decision making process. Transactions with related parties include:

Salaries and service fee;
Loans payable without bearing interest and due at demand; and
Loans receivable with interest rate as the prime rate per annum +1.5% and due at demand.

The amounts due to related parties are recorded at the amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms.

(Expressed in Canadian Dollars)

15. Related Party Transactions (Continued)

The balances outstanding are as follows:

	December 31, 2015	December 31, 2014
Loan payable (Note 10)	**$ (58,090)**	$ -
Accounts payable and accrued liabilities	**(101,366)**	(11,446)
Interest receivable	**4,943**	931
Loans receivable	**101,833**	100,000

For the years ended December 31, 2015 and 2014, total remuneration/service fees paid and interest income earned to/from the key management is as follows:

	2015	2014
Interest income	**$ 6,121**	$ 931
Share-based compensation(i)	**600,000**	-
Salaries	**10,385**	67,692
Service fees	**115,000**	27,300

During the year ended December 31, 2015, 1,000,000 shares has been issued to key management as at a fair value price of $0.60 per share (Note 11).

16. Lease Commitments

The Company leases its 25,620 sq. ft. premises in Aylmer, Ontario for a term of 5 years starting May 1, 2014 for a base rent of $16,013 per month plus applicable taxes. The Company has an option to extend the lease for an additional 3 terms of 5 years each. In addition, the Company has an option to purchase the property for $1,500,000 anytime during the term of the lease.

2016	$ 192,150
2017	$ 192,150
2018	$ 192,150
2019	$ 192,150
2020	$ 64,020

17. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The Company does not have long term liabilities as at December 31, 2015 and 2014.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk. The company is minimally exposed to interest rate risk.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is not exposed to any significant credit risk other than loans receivable. Cash is generally invested in cash accounts held in Canadian chartered banks. Of the Company's loans receivable disclosed in Note 6, one was collected in full subsequent to year-end and a significant portion of the other was also collected subsequent to year-end and is expected to be realized in the twelve months after year-end. Management believes the risk of loss associated with these assets to be remote. Management believes that the credit risk concentration with respect to financial instruments included in assets has been reduced to the extent presently practicable.

(d) Foreign exchange risk

The Company is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Company by a customer or lender, or that an obligation in a foreign currency was made to the Company to a supplier or partner, is different at the time of settlement than it was at time that the obligation was determined. The Company reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made to the Company. The Company did not have any hedges at the time that the financial statements were issued. The Company does not utilize financial instruments to manage its foreign exchange risk. In the opinion of management, the foreign exchange risk exposure to the company is low and is not material. As at December 31, 2014, the Company held cash and cash held in trust in US dollars of $810,000 (Cdn $939,681), (December 31, 2015 - $ 9,095 (Cdn $12,970.37)). A 10% change in foreign exchange rates would impact net loss by approximately ($400, (December 31, 2014 - $13,000).

17. Financial Instruments (Continued)

(e) Liquidity risk

The Company does have a liquidity risk in the accounts payable and accrued liabilities of $430,411. Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate working capital to repay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the Company is low.

(f) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

18. Cash Held in Trust

As at December 31, 2015, the Company is holding USD $80,000 (equivalent to Cdn $111,200) in trust for a holdback period of one year, for purposes of disposition of investments.

As at December 31, 2014, $1,840,513 was held in a trust account for purposes of deposit on investment and asset purchase. These funds have all been released in 2015.

19. Capital Management

The Company includes equity, comprised of common shares, contributed surplus and deficit, in the definition of capital. The Company’s objectives when managing capital are as follows:

(i) To safeguard the Company’s assets and ensure the Company’s ability to continue as a going concern; and

(ii) To raise sufficient capital to achieve the ongoing business objectives including funding of future growth opportunities and meeting its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on the general economic conditions, the Company’s short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

20. Subsequent Events

License to Produce Medicinal Cannabis

On April 22, 2016, WeedMD became a Licensed Producer of medical cannabis under the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Subsequent to licensing, the Company commenced operations, with its first plants being harvested in October of 2016.

Financings

On May 30, 2016, WeedMD closed a private placement equity financing of $441,750. Pursuant to the financing term sheet, WeedMD has issued 588,999 common shares at a price of $0.75 per share.

On September 19, 2016, WeedMD closed a private placement equity financing of $803,242. Pursuant to the financing term sheet, WeedMD has issued 1,070,990 common shares at a price of $0.75 per share.

On November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

SCHEDULE "D"
WEEDMD MD&A

(see attached)

250 Elm St., Aylmer, Ontario, Canada N5H 2M8

WeedMD Rx Inc.

Form 51 – 102 F1

Management Discussion & Analysis

Nine Month Period Ended September 30, 2016

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of WeedMD Rx Inc.'s (the "Company" or "WeedMD") financial condition and results of operations, prepared for the nine month period ended September 30, 2016, should be read in conjunction with the Company's condensed interim consolidated financial statements and accompanying notes for the nine month period ended September 30, 2016 and Consolidated Financial Statements and accompanying Notes for the year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards are incorporated by reference herein and form an integral part of this MD&A. All dollar amounts are in Canadian Dollars unless stated otherwise. These documents can be found on the SEDAR website www.sedar.com.

Our MD&A is intended to enable readers to gain an understanding of WeedMD's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding comparable period. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A.

Summary Description of WeedMD

WeedMD Rx Inc. (the "Company" or "WeedMD") was incorporated on March 26, 2013 under the Canada Business Corporations Act as 8472106 Canada Inc. On January 7, 2014, the Company filed its articles of amendment and changed its name to WeedMD Rx Inc. and commenced operations. WeedMD is a medical cannabis company and as of April 22, 2016 is licensed to produce up to 100kg of medical cannabis under the federal Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company's license was subsequently amended to increase the production capacity up to 500kg. WeedMD's operations are based in Aylmer, Ontario in a 25,000 sq. ft. converted tobacco plant which has been retrofitted to produce medical-grade cannabis and has the potential to expand to 160,000 sq. ft.

WeedMD's team includes industry and health professionals with significant experience and expertise in seniors' healthcare, many of whose patients use or plan to use medical cannabis. WeedMD has hired leading growers, quality assurance and R&D professionals to manage plant physiology, phyto-sanitary issues and active ingredient concentrations.

WMD Ventures Inc. and WeedMD Rx Ltd. are 100% subsidiaries of WeedMD. WMD Ventures (California), Inc. and WMD Ventures (Nevada), Inc. (100% subsidiaries of WeedMD) and TriCann LLC (73.5% subsidiary of WeedMD) were established in 2014 and were dormant as of December 31, 2015 and were subsequently dissolved.

Operational Highlights

License:

On April 22, 2016 WeedMD became a Licensed Producer of medical cannabis under the ACMPR. As is Health Canada's customary practice, the initial license has a one-year term and is for "production only". Subsequent to licensing, the Company commenced operations and successfully ramped up production, with its first plants being harvested in October of 2016. During this period, WeedMD has developed a strong record of regulatory compliance and has now stored sufficient finished product in its vault to be ready to provide for patients. Next, the Company must satisfy Health Canada that its growing processes result in finished product that meets the quality control standards and the "Good Production Practices" set out in the ACMPR. Subsequent to the end of the period ended September 30, 2016, WeedMD submitted for an amendment to its license to add the activity of sale of dried cannabis. Management has no reason to believe the amendment to commence sales will not be granted in due course, however the occurrence and timing of such a grant is beyond the control of the Company.

Corporate Highlights

Financings:

On May 30, 2016, WeedMD closed a private placement equity financing of $441,750. Pursuant to the financing term sheet, WeedMD has issued 588,999 common shares at a price of $0.75 per share.

On September 19, 2016, WeedMD closed a private placement equity financing of $803,242. Pursuant to the financing term sheet, WeedMD has issued 1,070,990 common shares at a price of $0.75 per share.

Subsequent to period end, on November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the

Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

WeedMD will use a portion of the net proceeds towards new construction within its existing facility to accommodate a mothering room, nursery and extraction lab, in order to increase process efficiencies and provide patients with more extensive strain selection and derivatives options. WeedMD intends to apply the remainder of the net proceeds towards developing the commercial scale production, distribution and sales infrastructure for its cannabis and cannabis oil extracts program, to working capital, other growth opportunities and general corporate purposes.

Overall Performance

WeedMD currently has no revenue or operating cash flow and relies on external financings to generate capital. As a result, WeedMD continued to incur losses in the nine month period ended September 30, 2016 and 2015.

During the nine month period ended September 30, 2016, WeedMD incurred a net and comprehensive loss $1,230,715 (2015 - $2,665,329). The decrease of the 2016 loss was mainly due to a decrease in loss of disposition of investment of $1,951,193, due to the cease of business expansion in the United States in the nine month period ended September 2015. In the nine month period ended September 30, 2016, 200,000 (2015: Nil) common shares were issued to service suppliers and thus incurred non-cash share-based compensation of $150,000 (2015: $Nil). Depreciation expense for nine month period ended September 30, 2016 was $91,534 (2015: $9,071) as WeedMD started depreciating most of its property, plant and equipment on July 1, 2016 except for furniture and fixtures, which were depreciated starting on January 1, 2014. In the nine month period ended September 30, 2016 WeedMD incurred $240,499 in rent and occupancy costs (2015: $187,308), for the lease its 25,620 sq. ft. premises in Aylmer, and office rent. WeedMD incurred professional fees of $19,430 in the nine months ended September 30, 2016 (2015: $85,920) which mainly represent costs for engaging professional services. The decrease in 2016 was mainly due to the decision to cease expansion its business in the US and hence less costs were incurred. In the nine months ended September 30, 2016 WeedMD incurred wages and salaries expenses of $355,865 (2015: $135,559); consulting fees of $249,913, (2015: $215,246); travel and accommodation of $47,213 (2015: $78,027); business development $19,977 (2015: $44,692) and general administrative expenses of $360,801 (2015: $51,862). The fluctuation of the business expenses mainly reflect WeedMD's management efforts during the first two years after its establishment and the decision to cease business expansion efforts in the US. WeedMD incurred a loss on disposition of investments in the nine months ended September 30, 2015 of $1,951,193 (2016 $ Nil).

General Financial Condition

As at September 30, 2016 WeedMD had a working capital of $1,085,760 compared to a working capital of $966,738 as at December 31, 2015. Total net loss and comprehensive loss for the nine months ended September 30, 2016 was $1,230,715 compared to total comprehensive loss $2,665,329 for the nine month period ended September 30, 2015.

Financial Highlights

Nine Month Period Ended September 30,	2016	2015
	$	$
Revenue	Nil	Nil
Loss Before Other Income and Expenses	1,238,869	2,758,878
Net Loss and Comprehensive Loss	1,230,715	2,665,329
Cash Used from Operations	1,296,912	657,463
Loss per Share (Basic and Diluted)	(0.04)	(0.10)

As At	September 30,	December 31,
	2016	2015
Total Assets	3,107,051	3,095,021
Working Capital	1,085,760	966,738

The Company had cash on hand as at September 30, 2016 of $923,352 (December 31, 2015: $959,569) and is dependent upon obtaining a license to sell medical cannabis to generate positive cash flows from operations and/or future debt and/or equity financings to fund its operations.

Results of Operations

During the nine month period ended September 30, 2016, WeedMD earned $Nil (2015: $Nil) revenues and recorded expenses of $1,535,233 (2015: $807,685); foreign exchange loss of $7,211 (2015: foreign exchange gain of $80,189), interest income of $15,365, (2015: $13,360), Gain on change in fair value of biological assets of $296,363 (2015: $Nil), loss on disposition of investments of $Nil (2015: $1,951,193) and a net loss of $1,230,715 for the nine month period ended September 30, 2016 (2015: $2,665,329).

Loss – Disposition of Investments

During the year ended December 31, 2014 WMD Ventures (Nevada), Inc. - a 100% subsidiary of WMD Ventures Inc. ("WMD") entered into an agreement to earn a 25% membership interest in Lone Mountain Partners, LLC, a Nevada based company. The principal purpose of this investment was to acquire the necessary licenses for, and to own and operate a medical marijuana cultivation, production and/or dispensary business. Pursuant to the operating agreement, WMD advanced Lone Mountain Partners, LLC $111,878 ($US 96,438) for start-up and legal fees in 2014. During the nine month period ended September 30, 2015 an additional $942,319 ($US 745,000) was advanced pursuant to the payment terms in the investment agreement and an additional $6,107 ($US 5,000) was transferred for legal fees. The membership interest was subject to WMD Ventures (Nevada) Inc. making a mandatory loan of $US 5 million to Lone Mountain Partners LLC. The loan was not made and significant influence was not obtained.

During the nine month period ended September 30, 2015, the Company decided cease business expansion in the US and exited its agreement with Lone Mountain LLC. On September 4, 2015, pursuant to a Redemption Agreement signed between Lone Mountain Partners, LLC and WMD Ventures (Nevada), Inc., the Company received a $515,541 ($US 390,000) redemption payment from Lone Mountain Partners LLC. The remaining cost of the investment was determined to be uncollectible, which resulted in a loss of $614,915 including a foreign exchange gain of $70,152.

During the nine month period ended September 30, 2015 TriCann LLC – a 73.5% subsidiary of WMD Ventures (California), Inc. entered into an asset purchase agreement with Aris Management LLC (“Aris”), a California based company through a 100% subsidiary of TriCann over which TriCann obtained significant influence but not control. The investment gave TriCann rights to a management contract to a California dispensary. Pursuant to the agreement the Company advanced $956,775 ($US 750,000) to Aris, an additional $449,655 was advanced for start-up and legal fees. During the nine month period ended September 30, 2015, the Company decided to cease business expansion in the US and entered into a purchase and sale agreement with Manlin LLC.

Loss on disposition of investments:

Lone Mountain Partners LLC	$ 1,060,304
TriCann LLC	1,406,430
	2,466,734
Less: proceeds from dispositions	(515,541)
Loss on disposition of investments	$ 1,951,193

Subsequent to September 30, 2015, the Company incurred further costs and received $1,104,000 (US$800,000) as proceeds of the disposition of the investment.

Foreign Exchange

WeedMD recorded foreign exchange loss of $7,211 in the nine month period ended September 30, 2016 (2015: foreign exchange gain of $80,189) relating to WeedMD's currency risk through its activities denominated in foreign currencies as WeedMD was exposed to foreign exchange risk.

Share-Based Compensation

During the nine months ended September 30, 2016, the Company issued 200,000 common shares to consultants and recorded an expense of $150,000 (2015: $Nil).

Net Profit/Loss for the Period

The Company reported a net loss and comprehensive loss of $(1,230,715) for the nine months ended September 30, 2016 (2015: $2,665,329)

Liquidity and Capital Resources

As at September 30, 2016, WeedMD had cash of $923,352 (December 31, 2015: $959,569). Total current assets amounted to $1,482,732 (December 31, 2015: $1,455,239) with current liabilities of $396,472 (December 31, 2015: $488,501) resulting in working capital of $1,085,760 (December 31, 2015: $966,738).

WeedMD plans to access further working capital through equity and/or debt financings, if required, to finance its growth plans.

Off-Balance Sheet Arrangements

WeedMD has not entered into any off-balance sheet finance arrangements.

Contractual Obligations

WeedMD leases its 25,620 sq. ft. premises in Aylmer, Ontario for a term of 5 years starting May 1, 2014 for a base rent of $16,013 per month plus applicable taxes. WeedMD has an option to extend the lease for an additional 3 terms of 5 years each. In addition, WeedMD has an option to purchase the property for $1,500,000 anytime during the term of the lease.

2016	$ 48,038
2017	$ 192,150

2018	$	192,150
2019	$	192,150
2020	$	64,020

Transactions with Related Parties

WeedMD's key management includes the CEO, CFO, Directors and the Secretary of the Board. For disclosure purposes, one senior officer of WeedMD is considered a related party as well due to his significant shareholdings and/or abilities to contribute to the Company's decision making process. Transactions with related parties include:

Salaries and service fee;
Loans payable without bearing interest and due at demand; and
Loans receivable with interest rate as the prime rate per annum +1.5% and due at demand.

The amounts due to related parties are recorded at the amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms.

The balances outstanding are as follows:

		September 30, 2016		December 31, 2015
Loan payable	**$**	**(500)**	$	(58,090)
Accounts payable and accrued liabilities		**(88,430)**		(101,366)
Loans receivable		**67,200**		101,833
Interest receivable	**$**	**942**	$	4,943

For the nine month periods ended September 30, 2016 and 2015, total remuneration/service fees paid and interest income earned to/from the key management is as follows:

		2016		2015
Interest income	**$**	**(416)**	$	(4,859)
Salaries		**207,692**		-
Service fees	**$**	**90,000**	$	138,820

During the nine months ended September 30, 2016, Nil shares have been issued to key management (2015: Nil).

Property and Equipment

	Leasehold improvement	Security equipment	Equipment	Furniture and fixtures	Fence and signage	Total
Cost						
Balance, January 1, 2015	$ 1,098,164	$ 124,731	$ 66,340	$ 55,195	$ 6,981	$ 1,351,411
Additions	51,071	195,627	37,699	21,587	-	305,984
Balance, December 31, 2015	1,149,235	320,358	104,039	76,782	6,981	1,657,395
Additions	43,457	6,722	25,893	-	-	76,072
Balance, September 30, 2016	$ 1,192,692	$ 327,080	$ 129,932	$ 76,782	$ 6,981	$ 1,733,467

Accumulated amortization

Balance, January 1, 2015	$ -	$ -	$ -	$ (5,519)	$ -	$ (5,519)
Amortization	-	-	-	(12,094)	-	(12,094)
Balance, December 31, 2015	-	-	-	(17,613)	-	(17,613)
Amortization	(59,635)	(16,354)	(6,497)	(8,875)	(174)	(91,534)
Balance, September 30, 2016	$ (59,635)	$ (16,354)	$ (6,497)	$ (26,488)	$ (174)	$ (109,148)
Net book value, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 59,169	$ 6,981	$ 1,639,782
Net book value, September 30, 2016	$ 1,133,057	$ 310,726	$ 123,435	$ 50,294	$ 6,807	$ 1,624,319

The company started amortizing its furniture and fixtures since its acquisition. Starting July 1, 2016, the Company commenced the cultivation of its product and commenced recording amortization of the balance of its property, plant and equipment. For the nine month period ended September 30, 2016, the company recorded an amortization charge of $91,534 as compared to $9,071 for the same period in 2015.

Subsequent Events

Financing

On November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

Stock Options

Subsequent to September 30, 2016, the Company issued 2,400,000 stock options to its key management and consultants at an exercise price of $0.75 per share. In addition, the Company issued 250,000 stock options to consultants at an exercise price of $1.00 per share.

RISK FACTORS

Carefully consider the following risk factors in addition to the other information contained in this document. The risks presented below may not be all the risks that the Company may face. Additional risks and uncertainties may also impair its business operations, including those risk factors detailed in the Company's Filing Statement dated March 2, 2017 filed with securities regulators on www.SEDAR.com, which risk factors are incorporated by reference into this document.

It is believed that these are the factors that could cause actual results to be different from expected and historical results. Other sections of this MD&A include additional factors that could have an effect on the business and financial performance of the business. The markets in which the Company currently competes are very competitive and change rapidly. New risks may emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. If any of these risks actually occur, the Company's business may be harmed and results of operations and financial condition may suffer.

Reliance on License

The Company's ability to grow, store and eventually sell medical cannabis in Canada is dependent on WeedMD's License from Health Canada. The License is subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the License or any failure to maintain the License would have a material adverse impact on the business, financial condition and operating results of the Company. The License expires on April 24, 2017. Although WeedMD believes it will meet the requirements of the ACMPR for extension of the License, there can be no guarantee that Health Canada will extend or renew the License or, if it is extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the License or should it renew the License on different terms, the business, financial condition and results of the operation of the Company would be materially adversely affected.

Regulatory Risks

The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company 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 authorities. Any delays in obtaining, or failure to obtain regulatory approvals would 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 Company.

Change in Laws, Regulations and Guidelines

The Company's operations are subject to variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

While to the knowledge of management, the Company is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations.

The ACMPR is a new regime established in August, 2016. As such, revisions to the regime could be implemented which could have an impact on the Company's operations. There is also some uncertainty regarding the likely interpretation of certain regulatory provisions by the regulator. Changes in legislation or regulator interpretation could negatively impact the operations of the Company. Similarly, a change in government could result in meaningful changes to the regulatory regime under which the Company operates, which could negatively impact its operations.

Limited Operating History

WeedMD, was incorporated and began operations in 2013. The company has yet to generate revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company 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.

Reliance on a Single Facility

To date, the Company's activities and resources have been primarily focused on its facility in Aylmer, Ontario and the Company will continue to be focused on this facility for the foreseeable future. Adverse changes or developments affecting the Aylmer facility, including but not limited to a breach of security, could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Company's ability to continue operating under or renew the License.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. The Company's growth strategy contemplates outfitting the Smiths Falls facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product available to meet the anticipated demand or to meet future demand when it arises.

The Company has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability.

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Additional Financing

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, including the Offering, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better-financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The government has issued to date a relatively small number of licenses under the ACMPR to produce and sell medical cannabis. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Because of early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of medical cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although WeedMD grows its products indoors under climate controlled conditions, carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Vulnerability to Rising Energy Costs

WeedMD's medical cannabis growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Transportation Disruptions

Due to the perishable and premium nature of the Company's products, the Company will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Unfavourable Publicity or Consumer Perception

The Company believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for WeedMD's products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of WeedMD's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of WeedMD's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that WeedMD's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of WeedMD's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of WeedMD's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of WeedMD's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for WeedMD's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of WeedMD's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

The market price of the Company's Common Shares may be subject to wide price fluctuations

The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company's common shares.

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

The Company'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 non-hazardous materials and wastes, and employee health and safety. The Company 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 Company'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 Company.

Volatile Market Price for the Common Shares

The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;

- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Company's industry generally and its business and operations;
- announcements of developments and other material events by the Company or its competitors;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets may experience significant price and volume fluctuations that can affect the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments include those related to the ability of the Company to continue as a going concern, the determination of when property, plant and equipment are available for use as well as their useful lives, recoverability of taxes receivable, determination of functional currency, impairment of its financial and non-financial assets, and the determination of control and significant influence related to subsidiaries and investments. The most significant estimates and assumptions include those related to the requirement for and magnitude of an allowance for impairment of loans receivable, the inputs used in accounting for share-based payment transactions, and the fair value of financial instruments. Management has determined that judgments, estimates and assumptions reflected in these consolidated financial statements are reasonable.

Disclosure of Outstanding Share Data

As of February 28, 2017, the followings are outstanding:

Common Shares:	36,728,573

Warrants:	10,482,800
Stock Options:	1,700,000

Approval

The Directors of WeedMD have approved the disclosures contained in this MD&A.

250 Elm St., Aylmer, Ontario, Canada N5H 2M8

WeedMD Rx Inc.

Form 51 – 102 F1

Management Discussion & Analysis

Year Ended December 31, 2015

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of WeedMD Rx Inc.'s (the "Company" or "WeedMD") financial condition and results of operations, prepared as of December 31, 2015, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards are incorporated by reference herein and form an integral part of this MD&A. All dollar amounts are in Canadian Dollars unless stated otherwise. These documents can be found on the SEDAR website www.sedar.com.

Our MD&A is intended to enable readers to gain an understanding of WeedMD's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current year to those of the preceding comparable year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A.

Summary Description of WeedMD

WeedMD Rx Inc. (the "Company" or "WeedMD") was incorporated on March 26, 2013 under the Canada Business Corporations Act as 8472106 Canada Inc. On January 7, 2014, the Company filed its articles of amendment and changed its name to WeedMD Rx Inc. and commenced operations. WeedMD is a medical cannabis company and as of April 22, 2016 is licensed to produce up to 100kg of medical cannabis under the federal Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company's license was subsequently amended to increase the production capacity up to 500kg. WeedMD's operations are based in Aylmer, Ontario in a 25,000 sq. ft. converted tobacco plant which has been retrofitted to produce medical-grade cannabis and has the potential to expand to 160,000 sq. ft.

WeedMD's team includes industry and health professionals with significant experience and expertise in seniors' healthcare, many of whose patients use or plan to use medical cannabis. WeedMD has hired leading growers, quality assurance and R&D professionals to manage plant physiology, phyto-sanitary issues and active ingredient concentrations.

WMD Ventures Inc. and WeedMD Rx Ltd. are 100% subsidiaries of WeedMD. WMD Ventures (California), Inc. and WMD Ventures (Nevada), Inc. (100% subsidiaries of WeedMD) and TriCann LLC (73.5% subsidiary of WeedMD) were established in 2014 and were dormant as of December 31, 2015 and were subsequently dissolved.

Operational Highlights

License:

Subsequent to the year ended December 31, 2015, on April 22, 2016 WeedMD became a Licensed Producer of medical cannabis under the ACMPR. As is Health Canada's customary practice, the initial license has a one-year term and is for "production only". Subsequent to licensing, the Company commenced operations and successfully ramped up production, with its first plants being harvested in October of 2016. During this period, WeedMD has developed a strong record of regulatory compliance and has now stored sufficient finished product in its vault to be ready to provide for patients. Next, the Company must satisfy Health Canada that its growing processes result in finished product that meets the quality control standards and the "Good Production Practices" set out in the ACMPR. Subsequent to the end of the period ended December 31, 2015, WeedMD submitted for an amendment to its license to add the activity of sale of dried cannabis. Management has no reason to believe the amendment to commence sales will not be granted in due course, however the occurrence and timing of such a grant is beyond the control of the Company.

Corporate Highlights

Financings:

Subsequent to the year end, on May 30, 2016, WeedMD closed a private placement equity financing of $441,750. WeedMD issued 588,999 common shares at a price of $0.75 per share.

Subsequent to the year end, on September 19, 2016, WeedMD closed a private placement equity financing of $803,242. WeedMD issued 1,070,990 common shares at a price of $0.75 per share.

Subsequent to the year end, on November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the Convertible Debenture Financing, WeedMD issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

WeedMD will use a portion of the net proceeds towards new construction within its existing facility to accommodate a mothering room, nursery and extraction lab, in order to increase process efficiencies and provide patients with more extensive strain selection and derivatives options. WeedMD intends to apply the remainder of the net proceeds towards developing the commercial scale production, distribution and sales infrastructure for its cannabis and cannabis oil extracts program, to working capital, other growth opportunities and general corporate purposes.

Investments

During the year ended December 31, 2014 WMD Ventures (Nevada), Inc., a 100% subsidiary of WMD Ventures Inc. ("WMD"), entered into an agreement to earn a 25% membership interest in Lone Mountain Partners, LLC, a Nevada based company. The principal purpose of this investment was to acquire the necessary licenses for, and to own and operate a medical marijuana cultivation, production and/or dispensary business. Pursuant to the agreement, WMD advanced Lone Mountain Partners, LLC $111,878 ($US 96,438) for start-up and legal fees in 2014. During the year ended December 31, 2015 an additional $942,319 ($US 745,000) was advanced pursuant to the payment terms in the agreement and an additional $6,107 ($US 5,000) was transferred for legal fees. The membership interest was subject to WMD Ventures (Nevada), Inc. making a mandatory loan of $US 5 million to Lone Mountain Partners LLC. The loan was not made and significant influence was not obtained. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and exited its agreement with Lone Mountain LLC. On September 4, 2015, pursuant to a Redemption Agreement signed between Lone Mountain Partners, LLC and WMD Ventures (Nevada), Inc., the Company received a $515,541 ($US 390,000) redemption payment from Lone Mountain Partners LLC. The remaining advances made were determined to be uncollectible which resulted in a loss of $614,916 including a foreign exchange gain of $70,152 in 2015.

During the year ended December 31, 2015 TriCann LLC, a 73.5% subsidiary of WMD Ventures (California), Inc., entered into an asset purchase agreement with Aris Management LLC (“Aris”), a California based company through a 100% subsidiary of TriCann over which TriCann obtained significant influence but not control. The investment gave TriCann rights to a management contract to a California dispensary. Pursuant to the agreement the Company advanced $956,775 ($US 750,000) to Aris, an additional $499,079 was advanced, and $60,896 was accrued for start-up and legal fees. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and entered into a purchase and sale agreement with Manlin LLC. The Company received $1,104,000 (US $800,000) as proceeds of disposition of the investment. Disposition of this investment resulted in loss of $533,223 including a foreign exchange gain of $120,473.

Overall Performance

WeedMD currently has no revenue or operating cash flow and relies on external financings to generate capital. As a result, WeedMD continued to incur losses in the years ended December 31, 2015 and 2014.

During the year ended December 31, 2015, WeedMD incurred a net and comprehensive loss of $2,581,425 (2014 - $3,015,244). The decrease of the 2015 loss was mainly due to a decrease in non-cash Share-based compensation for a strategic partnership of $1,402,250, due to the cease of business expansion in the United States in year ended December 2015. In the year ended December 31, 2015, 1,170,000 (2014: 528,418) common shares were issued to employees and management and thus incurred non-cash share-based compensation expenses of $702,000 (2014: $242,000). Depreciation expense for year ended December 31, 2015 was $12,094 (2014: $5,519) as WeedMD started depreciating its furniture and fixtures on January 1, 2014. In 2015 WeedMD incurred $243,797 in rent and occupancy costs (2014: $174,550), for the lease its 25,620 sq. ft. premises in Aylmer, and office rent. WeedMD incurred professional fees of $152,326 in 2015 (2014: $352,615) which mainly represents costs for engaging professional services. The decrease in 2015 was mainly due to the decision to cease the expansion of its business in the US and hence less costs were incurred. In 2015 WeedMD incurred wages and salaries expenses of $206,439 (2014: $258,880); consulting fees of $249,716 (2014: $188,152); travel and accommodation of $82,005 (2014: 152,754); business development $45,814 (2014: $61,398) and general administrative expenses of $75,303 (2014: $254,995). The fluctuation of the business expenses mainly reflect WeedMD's management efforts during the first two years after its establishment and the decision to cease business expansion efforts in the US. WeedMD incurred a loss on disposition of US investments in 2015 of $957,513 (2014 $ Nil).

General Financial Condition

As at December 31, 2015 WeedMD had a working capital of $966,738 compared to a working capital of $2,725,156 as at December 31, 2014. Total net loss and comprehensive loss for the year ended December 31, 2015 was $2,581,425 compared to total comprehensive loss $3,015,244 for the year ended December 31, 2014.

Financial Highlights

The Year Ended December 31,	2015	2014
	$	$
Revenue	Nil	Nil
Loss Before Other Income and Expenses	2,727,007	3,093,113
Net Loss and Comprehensive Loss	2,581,425	3,015,244
Loss per Share (Basic and Diluted)	(0.08)	(0.11)
Total Assets	3,095,021	4,681,474
Working Capital	966,738	2,725,156
Cash Used from Operations	(769,903)	(1,348,127)

The Company had cash on hand as at December 31, 2015 of $959,569 (2014: $2,804,592) and is dependent upon obtaining a license to sell medical cannabis to generate positive cash flows from operations and/or future debt and/or equity financings to fund its operations.

Results of Operations

During the year, WeedMD earned $Nil (2014: $Nil) revenues and recorded expenses of $2,727,007 (2014: $3,093,113); foreign exchange gain of $128,160 (2014: $71,400), interest income of $17,422, (2014: $6,469) and a net loss of $2,581,425 for the year ended December 31, 2015 (2014: $3,015,244).

Loss – Disposition of Investments

During the year ended December 31, 2014 WMD Ventures (Nevada), Inc., a 100% subsidiary of WMD Ventures Inc. ("WMD"), entered into an agreement to earn a 25% membership interest in Lone Mountain Partners, LLC, a Nevada based company. The principal purpose of this investment was to acquire the necessary licenses for, and to own and operate a medical marijuana cultivation, production and/or dispensary business. Pursuant to the agreement, WMD advanced Lone Mountain Partners, LLC $111,878 ($US 96,438) for start-up and legal fees in 2014. During the year ended December 31, 2015 an additional $942,319 ($US 745,000) was advanced pursuant to the payment terms in the agreement and an additional $6,107 ($US 5,000) was transferred for legal fees. The membership interest was subject to WMD Ventures (Nevada), Inc. making a mandatory loan of $US 5 million to Lone Mountain Partners LLC. The loan was not made and significant influence was not obtained. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and exited its agreement with Lone Mountain LLC. On September 4, 2015, pursuant to a Redemption Agreement signed between Lone Mountain Partners, LLC and WMD Ventures (Nevada), Inc., the Company received a $515,541 ($US 390,000) redemption payment from Lone Mountain Partners LLC. The remaining advances made were determined to be uncollectible which resulted in a loss of $614,916 including a foreign exchange gain of $70,152 in 2015.

During the year ended December 31, 2015 TriCann LLC, a 73.5% subsidiary of WMD Ventures (California), Inc., entered into an asset purchase agreement with Aris Management LLC (“Aris”), a California based company through a 100% subsidiary of TriCann over which TriCann obtained significant influence but not control. The investment gave TriCann rights to a management contract to a California dispensary. Pursuant to the agreement the Company advanced $956,775 ($US 750,000) to Aris, an additional $499,079 was advanced, and $60,896 was accrued for start-up and legal fees. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and entered into a purchase and sale agreement with Manlin LLC. The Company received $1,104,000 (US $800,000) as proceeds of disposition of the investment. Disposition of this investment resulted in loss of $533,223 including a foreign exchange gain of $120,473.

Share-based compensation for strategic partnership

In the year ended December 31, 2014 United Cannabis Corporation (“UCC”), a Colorado-based bio cannabinoid technology, management and consulting company, and WeedMD established an exclusive strategic partnership to assist in all aspects of the growing, production and distribution of medical marijuana in Canada. The agreement also positioned United Cannabis and WeedMD as 50/50 partners to invest in future potential projects in Canada and in the US. This partnership was focused on scientific research, product development and implementation of its proprietary cannabinoid therapy program. Pursuant to the agreement UCC agreed to provide services and expertise to the WeedMD, in consideration of these services WeedMD issued 1,187,500 common shares (Note 11) valued at $593,750, 3,000,000 warrants (Note 12) valued at $746,000, and incurred $62,500 in finder’s fee. The finder’s fee was to be satisfied through the issuance of 125,000 common which remain unissued as at December 31, 2015. During the year ended December 31, 2015, the Company decided to cease business expansion in the US and as a result terminated its agreement with UCC.

Foreign Exchange

WeedMD recorded foreign exchange gain of $128,160 (2014: $71,400) relating to WeedMD's currency risk through its activities denominated in foreign currencies as WeedMD was exposed to US dollar foreign exchange risk.

Share-Based Compensation

During the year ended December 31, 2015, the Company issued 1,170,000 common shares to key management and consultants and recorded an expense of $702,000 (2014: 528,418 common shares issued and recorded expense of $242,000).

Net Profit/Loss for the Year

The Company reported a net loss and comprehensive loss of ($2,581,425), and for the year 2014 ($3,015,244).

Liquidity and Capital Resources

As at December 31, 2015, WeedMD had cash of $959,569 (2014: $2,804,592). Total current assets amounted to $1,455,239 (2014: $2,920,685) with current liabilities of $488,501 (2014: $195,529) resulting in working capital of $966,738 (2014: $2,725,156).

WeedMD plans to access further working capital through equity and/or debt financings, if required, to finance its growth plans.

Off-Balance Sheet Arrangements

WeedMD has not entered into any off-balance sheet finance arrangements.

Contractual Obligations

WeedMD leases its 25,620 sq. ft. premises in Aylmer, Ontario for a term of 5 years starting May 1, 2014 for a base rent of $16,013 per month plus applicable taxes. WeedMD has an option to extend the lease for an additional 3 terms of 5 years each. In addition, WeedMD has an option to purchase the property for $1,500,000 anytime during the term of the lease.

2016	$	192,150
2017	$	192,150
2018	$	192,150
2019	$	192,150
2020	$	64,020

Transactions with Related Parties

WeedMD’s key management includes CEO, CFO, Directors and the Secretary of the Board. For disclosure purposes, one senior officer of WeedMD is considered a related party as well due to his significant shareholdings and/or abilities to contribute to the Company’s decision making process. Transactions with related parties include:

Salaries and service fee;
Loans payable without bearing interest and due at demand; and
Loans receivable with interest rate as the prime rate per annum +1.5% and due at demand.

The amounts due to related parties are recorded at the amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing (except promissory notes), unsecured and with no fixed repayment terms.

The balances outstanding are as follows:

	December 31, 2015	December 31, 2014
Loan payable	**$ (58,090)**	$ -
Accounts payable and accrued liabilities	**(101,366)**	(11,446)
Interest receivable	**4,943**	931
Loans receivable	**101,833**	100,000

For the years ended December 31, 2015 and 2014, total remuneration/service fees paid and interest income earned to/from the key management is as follows:

	2015	2014
Interest income	**$ 6,121**	$ 931
Share-based compensation[(i)]	**600,000**	-
Salaries	**10,385**	67,692
Service fees	**115,000**	27,300

During the year ended December 31, 2015, 1,000,000 shares has been issued to key management as at a fair value price of $0.60 per share.

Property and Equipment

	Leasehold improvement	**Security equipment**	**Equipment**	**Furniture and fixtures**	**Fence and signage**	**Total**
Cost						
Balance, January 1, 2014	$ -	$ -	$ -	$ -	$ -	$ -
Additions	1,098,164	124,731	66,340	55,195	6,981	1,351,412
Balance, December 31, 2014	1,098,164	124,731	66,340	55,195	6,981	1,351,412
Additions	51,071	195,627	37,699	21,587	-	305,984
Balance, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 76,782	$ 6,981	$ 1,657,395
Accumulated amortization						
Balance, January 1, 2014	$ -	$ -	$ -	$ -	$ -	$ -
Amortization	-	-	-	(5.519)	-	(5,519)
Balance, December 31, 2014	-	-	-	(5,519)	-	(5,519)
Amortization	-	-	-	(12,094)	-	(12,094)
Balance, December 31, 2015	$ -	$ -	$ -	$ (17,613)	$ -	$ (17,613)
Net book value, December 31, 2014	$ 1,098,164	$ 124,731	$ 66,340	$ 49,676	$ 6,981	$ 1,345,893
Net book value, December 31, 2015	$ 1,149,235	$ 320,358	$ 104,039	$ 59,169	$ 6,981	$ 1,639,782

No amortization expense has been charged for the years ended December 31, 2014 and 2015 as the Company's property, plant and equipment were not in the location and condition ready for them to be used in the manner intended by management except for furniture and fixtures, which commenced amortization as it was ready for use.

Subsequent Events

License to Produce Medicinal Cannabis

On April 22, 2016, WeedMD became a Licensed Producer of medical cannabis under the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Subsequent to licensing, the Company commenced operations, with its first plants being harvested in October of 2016.

Financings

On May 30, 2016, WeedMD closed a private placement equity financing of $441,750. WeedMD issued 588,999 common shares at a price of $0.75 per share.

On September 19, 2016, WeedMD closed a private placement equity financing of $803,242. WeedMD issued 1,070,990 common shares at a price of $0.75 per share.

On November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents"). Pursuant to the Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share.

In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and issued 352,000 broker warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share.

RISK FACTORS

Carefully consider the following risk factors in addition to the other information contained in this document. The risks presented below may not be all the risks that the Company may face. Additional risks and uncertainties may also impair its business operations, including those risk factors detailed in the Company's Filing Statement dated March 31, 2017 filed with securities regulators on www.SEDAR.com, which risk factors are incorporated by reference into this document.

It is believed that these are the factors that could cause actual results to be different from expected and historical results. Other sections of this MD&A include additional factors that could have an effect on the business and financial performance of the business. The markets in which the Company currently competes are very competitive and change rapidly. New risks may emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. If any of these risks actually occur, the Company's business may be harmed and results of operations and financial condition may suffer.

Reliance on License

The Company's ability to grow, store and eventually sell medical cannabis in Canada is dependent on WeedMD's License from Health Canada. The License is subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the License or any failure to maintain the License would have a material adverse impact on the business, financial condition and operating results of the Company. The License expires on April 24, 2017. Although WeedMD believes it will meet the requirements of the ACMPR for extension of the License, there can be no guarantee that Health Canada will extend or renew the License or, if it is extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the License or should it renew the License on different terms, the business, financial condition and results of the operation of the Company would be materially adversely affected.

Regulatory Risks

The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company 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 authorities. Any delays in obtaining, or failure to obtain regulatory approvals would 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 Company.

Change in Laws, Regulations and Guidelines

The Company's operations are subject to variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

While to the knowledge of management, the Company is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations.

The ACMPR is a new regime established in August, 2016. As such, revisions to the regime could be implemented which could have an impact on the Company's operations. There is also some uncertainty regarding the likely interpretation of certain regulatory provisions by the regulator. Changes in legislation or regulator interpretation could negatively impact the operations of the Company. Similarly, a change in government could result in meaningful changes to the regulatory regime under which the Company operates, which could negatively impact its operations.

Limited Operating History

WeedMD, was incorporated and began operations in 2013. The company has yet to generate revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company 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.

Reliance on a Single Facility

To date, the Company's activities and resources have been primarily focused on its facility in Aylmer, Ontario and the Company will continue to be focused on this facility for the foreseeable future. Adverse changes or developments affecting the Aylmer facility, including but not limited to a breach of security, could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Company's ability to continue operating under or renew the License.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. The Company's growth strategy contemplates outfitting the Smiths Falls facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product available to meet the anticipated demand or to meet future demand when it arises.

The Company has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability.

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Additional Financing

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, including the Offering, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better-financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The government has issued to date a relatively small number of licenses under the ACMPR to produce and sell medical cannabis. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Because of early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Risks Inherent in an Agricultural Business

The Company’s business involves the growing of medical cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although WeedMD grows its products indoors under climate controlled conditions, carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Vulnerability to Rising Energy Costs

WeedMD’s medical cannabis growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Transportation Disruptions

Due to the perishable and premium nature of the Company’s products, the Company will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Unfavourable Publicity or Consumer Perception

The Company believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of the Company’s products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for WeedMD's products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of WeedMD's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of WeedMD's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that WeedMD's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of WeedMD's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of WeedMD's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of WeedMD's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for WeedMD's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of WeedMD's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

The market price of the Company's Common Shares may be subject to wide price fluctuations

The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company's common shares.

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

The Company'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 non-hazardous materials and wastes, and employee health and safety. The Company 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 Company'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 Company.

Volatile Market Price for the Common Shares

The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Company's industry generally and its business and operations;

- announcements of developments and other material events by the Company or its competitors;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets may experience significant price and volume fluctuations that can affect the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments include those related to the ability of the Company to continue as a going concern, the determination of when property, plant and equipment are available for use as well as their useful lives, recoverability of taxes receivable, determination of functional currency, impairment of its financial and non-financial assets, and the determination of control and significant influence related to subsidiaries and investments. The most significant estimates and assumptions include those related to the requirement for and magnitude of an allowance for impairment of loans receivable, the inputs used in accounting for share-based payment transactions and in the valuation of warrants, including volatility, and the fair value of financial instruments. Management has determined that judgments, estimates and assumptions reflected in these consolidated financial statements are reasonable.

Disclosure of Outstanding Share Data

As of February 28, 2017, the following securities are outstanding:

Common Shares:	36,728,573
Warrants:	10,482,800
Stock Options:	1,700,000

APPROVAL

The Directors of WeedMD have approved the disclosure contained in this MD&A.

SCHEDULE "E"
PRO FORMA FINANCIAL STATEMENTS

(see attached)

WeedMD Rx Corporation

Pro Forma Consolidated Financial Statements

As At December 31, 2016

(Unaudited – In Canadian Dollars unless otherwise specified)

WeedMD Rx Corporation

Pro Forma Consolidated Statement of Financial Position
December 31, 2016
(Unaudited – In Canadian Dollars unless otherwise specified)

	Aumento Capital V Corporation	WeedMD RX Inc.	Notes	Adjustments Dr.	Adjustments Cr.	Notes	Acquisition formula	Resulting Issuer, December 31, 2016
	December 31, 2016	*Sept. 30, 2016.*						
Assets								
Cash and cash equivalents	643,622	923,352	3(a)	7,600,000	741,640	3(d)		8,425,334
Interst and other receivables	-	30,496						30,496
Prepaid Expenses and deposits	-	14,564						14,564
Loans receivables	-	67,200						67,200
Other taxes receivable	-	150,757						150,757
Biological assets	-	296,363						296,363
Total current assets	643,622	1,482,732		7,600,000	741,640		-	8,984,714
Non-Current assets								
Property plant and equipment	-	1,624,319						1,624,319
Total non-current assets	-	1,624,319		-	-		-	1,624,319
Total assets	**643,622**	**3,107,051**		**7,600,000**	**741,640**		**-**	**10,609,033**
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payables	23,069	396,472			437,000	3(h)		856,541
Loans Payable	-	500						500
Convertible debentures payable	-	-	3(b)	3,264,087	7,600,000	3(a)		
			3(c)	3,455,874				
			3(d)	741,640				
			3(f)	138,399				-
Total liabilities	23,069	396,972		7,600,000	8,037,000		-	857,041
Shareholders' equity								
Share capital	796,874	8,791,463			3,264,087	3(b)		
					240,000	3(e)		
						3(g)	(796,874)	
						3(g)	1,163,809	
			3(i)	607,200				12,852,159
Warrants	-	-			3,455,874	3(c)		
					138,399	3(f)		
					607,200	3(i)		4,201,473
Options reserve	85,680	-			1,688,236	3(j)		
						3(g)	(85,680)	
						3(g)	58,138	1,746,374
Contributed surplus	-	746,000						746,000
Accumulated deficit	(262,001)	(6,827,384)	3(e)	240,000				
						3(g)	262,001	
						3(g)	(601,394)	
			3(h)	437,000				
			3(j)	1,688,236				(9,794,014)
Total shareholders' equity	620,553	2,710,079		2,972,436	9,393,796		-	9,751,992
Total liabilities and shareholders' equity	**643,622**	**3,107,051**		**10,572,436**	**17,430,796**		**-**	**10,609,033**

WeedMD Rx Corporation

Notes to the Pro Forma Consolidated Financial Statements
December 31, 2016.
(Unaudited – In Canadian Dollars unless otherwise specified)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position of Aumento Capital V Corporation ("Aumento" or "the Company") has been prepared by management to reflect the acquisition of WeedMD RX Inc. ("WeedMD") by Aumento after giving effect to the proposed transactions as described in Notes 2 and 3.

The unaudited pro forma statement of financial position has been prepared for inclusion in the Filing Statement of the Company in relation to its acquisition of 100% of the issued and outstanding common shares of WeedMD. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable TSX Venture Exchange approvals. In the opinion of the Company's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Agreement.

In connection with the Acquisition, Aumento intends to continue its domicile in the Province of Ontario.

2. Pro Forma Assumptions

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on December 31, 2016.

The Acquisition is subject to the satisfaction of all closing conditions and receipt of regulatory and shareholder approvals.

The unaudited pro forma financial statements of Aumento should be read in conjunction with December 31, 2016, financial statements of Aumento and September 30, 2016, unaudited interim financial statements of WeedMD.

The unaudited pro forma consolidated statement of financial position of the Company has been compiled from and includes:

a) the statement of financial position of the Company as at December 31, 2016

b) the unaudited interim statement of financial position of WeedMD as at September 30, 2016

c) the additional information and assumptions set out in Notes 2 and 3

For presentation purposes, the acquisition is assumed to have occurred at December 31, 2016. The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transactions been effected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of Aumento and WeedMD.

Principal Terms of the Transaction

The Transaction will involve the amalgamation of WeedMD with NewCo, a wholly-owned subsidiary of the Company. Pursuant to the Acquisition Agreement, the Company will issue Resulting Issuer Shares, Resulting Issuer Warrants, Resulting Issuer Compensation Warrants and Resulting Issuer Stock Options in exchange for the delivery of the WeedMD Shares, WeedMD Warrants, WeedMD Compensation Warrants and WeedMD Stock Options, respectively. The aggregate number of Resulting Issuer Shares, Resulting Issuer Warrants, Resulting Issuer Compensation Warrants and Resulting Issuer Stock Options to be issued in exchange for the issued and outstanding WeedMD Shares, WeedMD Warrants, WeedMD Compensation Warrants and WeedMD Stock Options shall be determined by multiplying the relevant number of WeedMD Securities issued and outstanding at the time of Closing by the Share Exchange Ratio. In addition, if the WeedMD Compensation Shares have not been issued by WeedMD as of the Closing Date, the Resulting Issuer has agreed that it is contractually obligated to issue Resulting Issuer Shares on the same terms subject to appropriate adjustments proportional to the Share Exchange Ratio.

Thus, an aggregate of 60,517,065 Resulting Issuer Shares, 15,328,486 Resulting Issuer Warrants, 3,497,332 Resulting Issuer Stock Options will be issued in exchange for the WeedMD Shares, WeedMD Warrants, WeedMD Compensation Warrants and WeedMD Stock Options. See "Information Concerning the Resulting Issuer – Pro Forma Fully Diluted Share Capital" for details with respect to the WeedMD Securities being exchanged for Resulting Issuer Securities.

There are currently 36,728,573 WeedMD Shares, 10,130,800 WeedMD Warrants, 352,000 WeedMD Compensation Warrants and nil WeedMD Stock Options and an aggregate principal amount of $7,600,000 WeedMD Debentures issued and outstanding. Immediately prior to Completion of the Transaction, the WeedMD Debentures will be converted into a total of 10,133,333 WeedMD Shares. Prior to the Completion of the Transaction, WeedMD has issued 2,650,000 stock purchase options (the "Options").

In addition, WeedMD has determined that, immediately prior to the Completion of the Transaction, it will issue WeedMD Warrants to the 2016 equity financing subscribers under the Non-Brokered Private Placement, bearing the same terms as the WeedMD Warrants issued under the Brokered Private Placement. The aggregate number of WeedMD Warrants to be issued is 1,779,989.

There are currently a total of 1,939,682 Aumento Shares and 184,832 Aumento Options issued and outstanding. In addition, it is expected that prior to the Completion of the Transaction, the Company will change its name to "WeedMD Rx Corp." The Name Change was approved by the special resolution of the Aumento Shareholders at the annual and special meeting of the Aumento Shareholders held on January 23, 2017.

The Company and WeedMD have entered into a Letter of Intent (“Agreement”) dated November 4, 2016. Pursuant to the terms of the Agreement, the Company intends to issue an aggregate of 58,577,351 common shares to the former shareholders of WeedMD in exchange for all of the issued and outstanding WeedMD shares at an exchange ratio of 1.25 new shares for each old WeedMD share (the Acquisition”).

3. Pro Forma Adjustments

a) On November 8, 2016, WeedMD closed a $7,600,000 convertible debenture unit financing (the "Convertible Debenture Financing") with a syndicate of agents led by Dundee Securities Ltd., and including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (the "Agents").

b) Immediately prior to completion of a liquidity event by WeedMD, the principal amount of the Debentures will be automatically convertible into common shares of WeedMD at a conversion price of $0.75 per share, resulting in the issuance of 10,133,333 common shares.

c) Pursuant to the Convertible Debenture Financing, WeedMD has issued 7,600 units (the "Units"), with each Unit comprised of one debenture (a "Debenture") with a principal amount of $1,000 and 1,333 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. (See Note 5.)

d) In connection with the Convertible Debenture Financing, the Company paid cash commissions of $548,000 and professional fees of $193,640. A total of $741,640 has been recorded as cost of issuance of Convertible Debenture.

e) The Company engaged the services of a professional firm with a compensation payment through the issuance of 320,000 shares valued at $240,000 at $0.75 per share.

f) In connection with the Convertible Debenture Financing, the Company issued 352,000 agent compensation warrants which are convertible into units for a period of two years following the liquidity event at an exercise price of $0.75 per unit, with each unit comprised of one common share and one warrant, each warrant convertible into a common share for a period of two years at an exercise price of $1.00 per share. (See Note 5.)

g) WeedMD Acquisition

Since the Company's operations do not constitute a business, the Transaction has been accounted for in accordance with IFRS 2, which results in the following:

- WeedMD is deemed to be the acquirer and the Company is deemed to be the acquired for accounting purposes;
- Accordingly, the assets and liabilities of Aumento are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value;
- The pre-acquisition equity of Aumento will be eliminated upon consolidation. This includes its share capital of $796,874, reserve for stock options of $85,680 and accumulated deficit of $(262,001).

The purchase price is recorded as the cost to acquire the share capital at the fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense. Accordingly, share capital and options reserve is increased by $1,163,809 and $58,138 being the fair value of common shares and options issued for the acquisition. (See Note 5.)

Aumento and WeedMD have executed a definitive agreement which outlines the proposed terms by which Aumento will acquire WeedMD. As consideration for WeedMD, Aumento has agreed to issue 58,577,351 common shares of the Company (the "Consideration Shares") to the Shareholders on the closing of the Transaction.

h) Transaction Costs

The transaction costs related to the acquisition are estimated at $437,000 for the legal and professional fees.

i) WeedMD has issued 1,779,989 warrants (the "Warrants"). The Warrants are exercisable into common shares of WeedMD at an exercise price of $1.00 per share for a period of two years from the completion of a liquidity event by WeedMD. (See Note 5.)

j) WeedMD has issued 2,650,000 stock purchase options (the "Options"). The Options are exercisable into common shares of WeedMD at an exercise price between a range of $0.75 and $1.00 per share for a period of ten and two years respectively. (See Note 6.)

4. Pro Forma Share Capital December 31, 2016

Pro Forma Number of Common Shares	Shares	Amount
WeedMD Rx Inc Shares at September 30, 2016	36,408,573	$ 8,791,463
Shares issued re compensation payment	320,000	240,000
Conversion of convertible debenture	10,133,333	3,264,087
Shares outstanding prior to acquisition acquisition	46,861,906	12,295,550
Share exchange @ 1.25 new shares for each old share	58,577,383	
Aumento Shares at September 30, 2016	1,939,682	1,163,809
Warrant valuation		(607,200)
ProForma Balance of common shares outstanding	60,517,065	$ 12,852,159

5. Warrants

	Number of Warrants	Amount
WeedMD Rx Inc Warrants at September 30, 2016	-	$ -
Warrants issued, Convertible at $0.80 for 24 months[1]	12,663,500	3,455,874
Warrants issued, Convertible at $0.80 for 24 months[1]	2,224,986	607,200
Agent Compensation Warrants Convertible at $0.60 for 24 months [1]	440,000	138,399
	15,328,486	$ 4,201,473

[1]Exercise price and number of warrants adjusted to reflect share split of 1.25 new warrants for each old WeedMD warrant.

On November 8, 2016, the Company issued 10,130,800 warrants as part of the convertible debenture financing with an exercise price of $1.00. The fair value of the warrants has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.75; forfeiture rate of nil; and (v) expected life of 24 months. The expected volatility is based on the trading prices of comparable companies. The warrants will vest immediately and the Company will allocate $3,455,874 as the value of the warrants.

As of the date of the liquidity event, the Company will issue 1,779,989 warrants to investors that participated in 2016 equity financings with an exercise price of $1.00. The fair value of the warrants has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.75; forfeiture rate of nil; and (v) expected life of 24 months. The expected volatility is based on the trading prices of comparable companies. The warrants vest immediately after the liquidity event and the Company will allocate $607,200 as value of the warrants.

On November 8, 2016, the Company issued 352,000 agent compensation warrants to Dundee Capital Markets with an exercise price of $0.75. The fair value of the warrants has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.75; forfeiture rate of nil; and (v) expected life of 24 months. The expected volatility is based on the trading prices of comparable companies. The warrants vest immediately after the liquidity event and the Company will recognize a charge of $138,399 as against the convertible debenture.

6. Stock Options

	Number of Options		Amount
WeedMD Rx Inc Options at September 30, 2016	-	$	-
Options issued, Convertible at $0.60 for 24 months	184,832		58,138
Options issued, Convertible at $0.60 for 120 months[1]	3,000,000		1,602,955
Options issued, Convertible at $0.80 for 36 months [1]	312,500		85,281
	3,497,332	$	1,746,374

[1]Exercise price and number of options adjusted to reflect share split of 1.25 new options for each old WeedMD option.

Aumento has 184,832 options outstanding as at December 31, 2015. The fair value of the Options has been estimated using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.60; forfeiture rate of nil; and (v) expected life of 24 months. The expected volatility is based on the trading prices of comparable companies. The Options vest immediately and the Company will allocate $58,138 as the value of the Options. (See note 7.)

On February 24, 2017, the Company issued 2,400,000 stock purchase options to key management and consultants with an exercise price of $0.75. The fair value of the Options has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.75; forfeiture rate of nil; and (v) expected life of 120 months. The expected volatility is based on the trading prices of comparable companies. The Options vest immediately after the liquidity event and the Company will recognize a charge of $1,602,955 as share-based compensation.

On February 24, 2017, the Company issued 250,000 stock purchase options to a consultant with an exercise price of $1.00. The fair value of the Options has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 100%; (iii) risk-free interest rate of 0.78%; (iv) share price of $0.75; forfeiture rate of nil; and (v) expected life of 24 months. The expected volatility is based on the trading prices of comparable companies. The Options vest immediately after the liquidity event and the Company will recognize a charge of $85,281 as share-based compensation.

7. Acquisition – listing expense

Total purchase price of Aumento is as follows:	
Common shares issued and outstanding, Aumento	1,939,682
Price per share based on concurrent financing	$ 0.60
Cost of acquisition, share issuance	1,163,809
Fair value of stock options issued (See Note 6)	58,138
Total considertion	1,221,947
Fair value of net assets including cash	(620,553)
Excess paid over assets - listing expense	601,394

Fair Value Asset Calculation of WeedMD RX Inc.:	
Assets	643,622
Liabilities	(23,069)
	620,553

8. Income Tax

The effective consolidated pro forma tax rate is expected to approximate 26.5%. The Company will have over $4.6 million in tax loss carry forwards to use in Canada.