

GRENADIER
RESOURCE CORP.

LISTING STATEMENT
FORM 2A

August 31, 2015

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Forward-Looking Statements

The information provided in this Listing Statement, including information incorporated by reference, may contain “forward-looking statements” about the Company, Laguna and the New Issuer. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company or Laguna that address activities, events or developments that the Company or Laguna expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Company, Laguna and the New Issuer, as applicable, and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- successful completion of the Share Exchange and the acquisition of Laguna;
- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- assuming completion of the Share Exchange:
 - the progress and success of Laguna’s product development program,
 - market competition and advances in the development of competitive nutritional products and supplements,
 - the ability to continue to attract, retain and grow the number of consultants engaged in network marketing of the Laguna products, and
 - the ability to successfully market, sell, and distribute the Laguna products, and to expand the customer base for such products; and
- other risks described in this Listing Statement and described from time to time in our documents filed with Canadian securities regulatory authorities

The forward-looking statements contained herein are based on certain key expectations and assumptions, including: (a) expectations and assumptions concerning timing of receipt of required shareholder and regulatory approvals and any applicable third party consents, if any; and (b) expectations and assumptions concerning the success of the operation of the Company, Laguna and the New Issuer.

With respect to the forward-looking statements contained herein, although the Company and Laguna, as applicable, believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the availability of sources of income to generate cash flow and revenue; the volatility of the Company's stock price; risks relating to the trading price of the Common Shares relative to net asset value; the dependence of the Company on its management and directors; risks relating to additional funding requirements; due diligence risks; exchange rate risks; potential conflicts of interest; and potential transaction and legal risks, as more particularly described under the heading "*Risk Factors*" in this Listing Statement.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company or Laguna. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company or Laguna, as applicable, and/or persons acting on behalf of either of them may issue. The Company and Laguna undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Company and Laguna, as applicable, believe that their respective industry data is accurate and that their estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither the Company nor Laguna have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Glossary of Terms

The following is a glossary of certain definitions used in this Listing Statement. Terms and abbreviations used in this Listing Statement and also appearing in the documents attached as schedules to the Listing Statement (including the financial statements) are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders. All dollar amounts herein are in Canadian dollars, unless otherwise stated.

“Affiliate” means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“Associate” when used to indicate a relationship with a person or company, means (a) an issuer of which the person or company 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 or company, (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, and (d) in the case of a person, a relative of that person, including (i) that person’s spouse or child, or (ii) any relative of the person or of his spouse who has the same residence as that person.

“Auditor” means Charlton & Company, Chartered Accountants.

“BCBCA” means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

“Board of Directors” means the board of directors of the Company, from time to time.

“CEO” means an individual who acted as our chief executive officer, or acted in a similar capacity, for any part of the most recently completed financial year.

“CFO” means an individual who acted as our chief financial officer, or acted in a similar capacity, for any part of the most recently completed financial year.

“Commissions” means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

“Common Shares” means the issued and outstanding common shares without par value in the capital of the Company.

“Company” or **“Grenadier”** means Grenadier Resource Corp.

“CSE” means the Canadian Securities Exchange.

“CSE Approval” means the final approval of the CSE in respect of the continued listing of the Company’s common shares on the CSE following completion of the Share Exchange, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

“CSE Policies” means the rules and policies of the CSE in effect as of the date hereof.

“Effective Date” means the date the Share Exchange will become effective, following receipt of CSE Approval.

“Exchange Agreement” means the agreement definitive share exchange dated April 7, 2015 as amended June 23, 2015 entered into among Laguna, the Laguna Shareholders and the Company in respect of the Share Exchange.

“IFRS” means International Financial Reporting Standards.

“Initial Listing Statement” means the initial CSE Form 2A listing statement of the Company, dated June 19, 2014 and filed on SEDAR July 8, 2014.

“Initial Products” means the initial product line of Laguna, to consist of a hemp protein coffee and a single serving hemp protein.

“Laguna” means Laguna Blends Inc., a company incorporated under the laws of the State of Nevada.

“Laguna Options” means the outstanding incentive stock options of Laguna, each of which is exercisable into one Laguna Share at an exercise price of \$0.16 per Laguna Share, subject to adjustment, until January 23, 2018.

“Laguna Shareholders” means the holders of Laguna Shares.

“Laguna Shares” means the common shares in the capital of Laguna.

“Laguna Warrants” means the outstanding common shares purchase warrants of Laguna, 4,000,000 of which are transferable and are each exercisable into one Laguna Share at an exercise price of \$0.27 per Laguna Share, subject to adjustment, until December 31, 2019, and 50,000 of which are non-transferable and are each exercisable into one Laguna Share at an exercise price of \$0.27 per Laguna Share, subject to adjustment, until May 31, 2016.

“Listing Date” means the date on which our common shares of the New Issuer are listed for trading on the CSE.

“Listing Statement” means this CSE Form 2A Listing Statement of the Company.

“Mining Assets” means, collectively, the mineral properties and interest of the Company as disclosed in the Initial Listing Statement, including without limitation the Fly Lake Property located in the township of Mitchell in the District of Red Lake, Ontario.

“New Issuer” means the Company upon completion of the Share Exchange following receipt of CSE Approval.

“Offering” means the non-brokered private placement of the Company of 2,449,932 Units at a price of \$0.27 per Unit to raise gross proceeds of \$661,482. Each Unit consists of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire an additional Common Share for a period of six months from the date of issuance of the warrants at \$0.50 per Common Share, subject to acceleration in the event that the Common Shares trade at \$0.60 or more for 20 consecutive trading days (the **“Acceleration Event”**) in which case expiry of the warrants will be accelerated to the 10th business

day after the Acceleration Event. The exercise period of the warrants was subsequently amended from six months from the date of issuance to one year from the date of issuance.

“Related Person” means an **“Insider”**, which has the meaning set forth in the *Securities Act* (British Columbia) being:

- (a) a director or senior officer of the company that is an insider or subsidiary of the issuer;
- (b) a director or senior officer of the issuer;
- (c) a person that beneficially owns or controls, directly or indirectly, voting share carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“Secondary Offering” means the non-brokered private placement of the Company of up to 3,571,429 Secondary Units at \$0.28 per Secondary Unit for gross proceeds of up to \$1,000,000. Each Secondary Unit will be comprised of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of \$0.50 per Common Share for a period of two years from the date of closing of the Secondary Offering. The Warrant terms contain an acceleration provision, such that in the event the Company’s Common Shares trade at a price of \$0.60 or more for 20 consecutive trading days, then the expiry date shall be accelerated. A cash finder’s fee of 8% may be paid to certain finders.

“Secondary Units” means the units of the Company offered pursuant to the Secondary Offering, each Secondary Unit to be comprised of one Common Share and one Warrant.

“Share Exchange” means the acquisition by Grenadier of 100% of the outstanding Laguna Shares in exchange for issuance of up to 27,660,000 Common Shares to the (former) Laguna Shareholders, and the related transactions contemplated by the Exchange Agreement, on the basis of one Common Share for each Laguna Share so exchanged.

“Shareholders” means the holders of outstanding Common Shares

“Units” means the units of the Company offered pursuant to the Offering, each Unit being comprised of one Common Share and one Warrant.

“Warrants” mean the outstanding Common Share purchase warrants of the Company.

2. Corporate Structure

2.1 - Corporate Name and Head and Registered Office

This Form 2A has been prepared with respect to Grenadier in connection with its proposed Share Exchange with Laguna and the proposed listing on the CSE of the entity resulting from the Share Exchange, being the Company with Laguna as its wholly-owned subsidiary.

The Company

The corporate name of the Company is “Grenadier Resource Corp.” The head office of the Company is located at 1011 West Cordova Street, Suite 3403, Vancouver, British Columbia V6C 0B2, and its registered office is located at 1011 West Cordova Street, Suite 3403, Vancouver, British Columbia V6C 0B2.

Laguna

The corporate name of Laguna is “Laguna Blends Inc.” Laguna’s principal office is located at Suite 880, Bank of America Plaza, 50 West Liberty Street, Reno, Nevada 89501, being the offices of Laguna’s registered agent, Nevada Agency and Transfer Company. Laguna’s head office is located at 302 – 1912 Enterprise Way, Kelowna, British Columbia V1Y 9S9 and the delivery and mailing address of Laguna’s attorney in British Columbia is 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

2.2 – Jurisdiction of Incorporation

The Company

The Company was incorporated on June 2, 2014 under the *Business Corporations Act* (British Columbia) (the “BCBCA”).

Laguna

Laguna was incorporated under the Nevada Revised Statutes on June 24, 2014 under the name Bonzy Marketing Corp., and changed its name to “Laguna Blends Inc.” on September 16, 2014. On July 11, 2014, Laguna became registered as an extra-provincial company under the BCBCA.

2.3 – Inter-corporate Relationships

The Company

The Company has one wholly-owned subsidiary, Grenadier Exploration Corp., a company incorporated under the BCBCA. The Company holds 100% of the common shares of Grenadier Exploration Corp., which is currently inactive. The Company does not anticipate reactivating it in the future.

Laguna

Laguna does not have any subsidiaries.

2.4 – Fundamental Change

On April 7, 2015, the Company entered into the Exchange Agreement with an arm's length party, Laguna and the Laguna Shareholders, to carry out the business combination transaction initially announced on January 19, 2015, following the signing of the letter of intent between the Company and Laguna in respect thereof. The Exchange Agreement was amended on June 23, 2015.

Laguna is a network marketing company which utilizes a network of independent affiliates to generate retail sales of its products. The initial product line being sold by Laguna is comprised of a proprietary line of high-protein-content functional beverages with hemp protein as their base. Their current product line of nutritional beverages includes hemp protein coffee and single serving hemp protein pouches. Laguna plans to develop and launch other product offerings from time to time in the future as determined by the board of directors of Laguna.

The transaction will be carried out by way of the Share Exchange pursuant to which, among other things, on the Effective Date:

- (i) all shareholders of the Laguna Shares will exchange their Laguna Shares and will receive one Common Share in exchange for every one Laguna Share held;
- (ii) all holders of common share purchase warrants and options of Laguna will exchange their holdings of common share purchase warrants and options issued by Laguna for the equivalent Warrants or options of Grenadier;
- (iii) as a result of the Share Exchange, Laguna will become a 100% wholly-owned subsidiary of Grenadier, and the business of Laguna will become the business of Grenadier; and
- (iv) Grenadier will change its name to "Laguna Blends Inc.", and Laguna will change its name to "Laguna Blends (USA) Inc." or such other name as the then current Board of Directors may determine.

The proposed Share Exchange is considered to be a "fundamental change" under the policies of the CSE, as it is comprised of a major acquisition that will constitute 100% of the Company's business on completion, and the acquisition of Laguna will include a change of control. CSE policies require that, prior to closing of the acquisition, the majority of the entitled securityholders of the Company approve the acquisition. The requisite threshold for such majority approval is 50% of the outstanding Common Shares plus one Common Share. The Company intends to secure such securityholder approval by written consent resolutions to be circulated to Shareholders in lieu of calling a meeting. As such, in consultation with the CSE, the Company will not be preparing an information circular, but will instead deliver to securityholders of the Company a copy of the written resolutions to approve the proposed transactions contemplated hereby together with a notice advising securityholders that they may access a copy of this Listing Statement on SEDAR and on the CSE website. The Listing Statement will provide the securityholders with further details concerning the Share Exchange and the business of Laguna for their consideration and evaluation in deciding whether to approve such proposed transactions. Securityholders will be asked to sign the resolutions and return them to the Company, indicating their approval of the proposed transactions. The resolutions require the approval of a majority of the holders of the outstanding Common Shares in order to pass. The Listing Statement will also serve as the primary document providing prospectus-level disclosure of the proposed transaction. The Listing Statement will be filed with the CSE as part of the Company's application to obtain CSE Approval to qualify the Common Shares, on completion of the Share Exchange and acquisition of the business of Laguna, for listing and trading on the CSE.

Upon completion of the Share Exchange, it is anticipated that two of the current directors of the Company, Messrs. Jacques Martel and Jon Sherron, will resign and that the Board of Directors of the Company will consist of one current director, Mr. Glenn Little, two directors to be appointed by the Board of Directors in connection with the closing of the Share Exchange, Messrs. Stuart Gray and Martin Carleton, both of whom are currently directors of Laguna and one independent director, Mr. Rhys Williams.

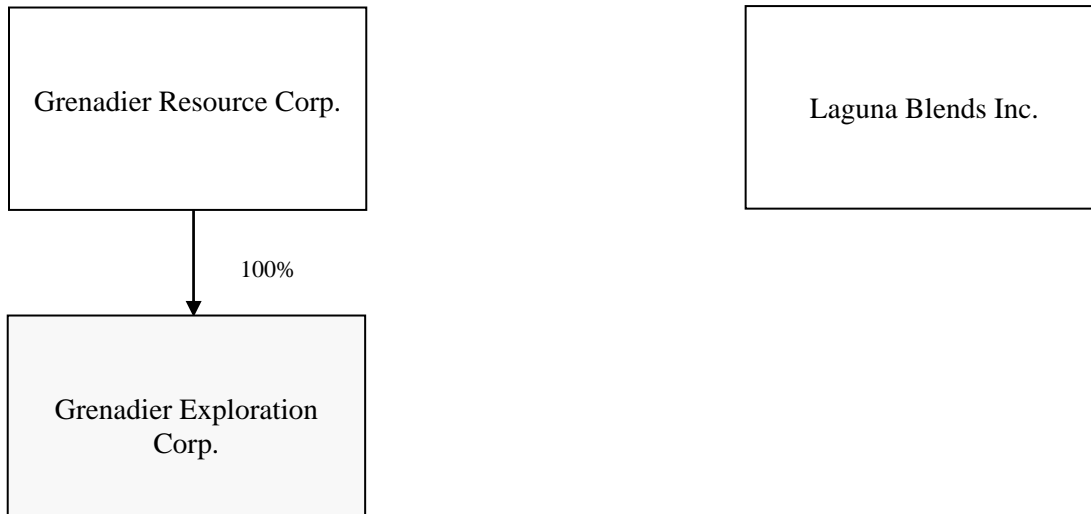
It is anticipated that the officers of the Company will include Mr. Stuart Gray as President, Chief Executive Officer and Chief Financial Officer and Ms. Negar Adam as Corporate Secretary.

The currently issued and outstanding capital of the Company consists of 16,854,932 Common Shares, 2,449,932 Warrants, and 1,850,000 incentive stock options. The currently issued and outstanding capital of Laguna consists of 27,660,000 Laguna Shares, 1,800,000 Laguna Options and 4,050,000 Laguna Warrants. Common Shares held by principals of the Company on completion of the Share Exchange may be subject to escrow requirements under CSE Policies.

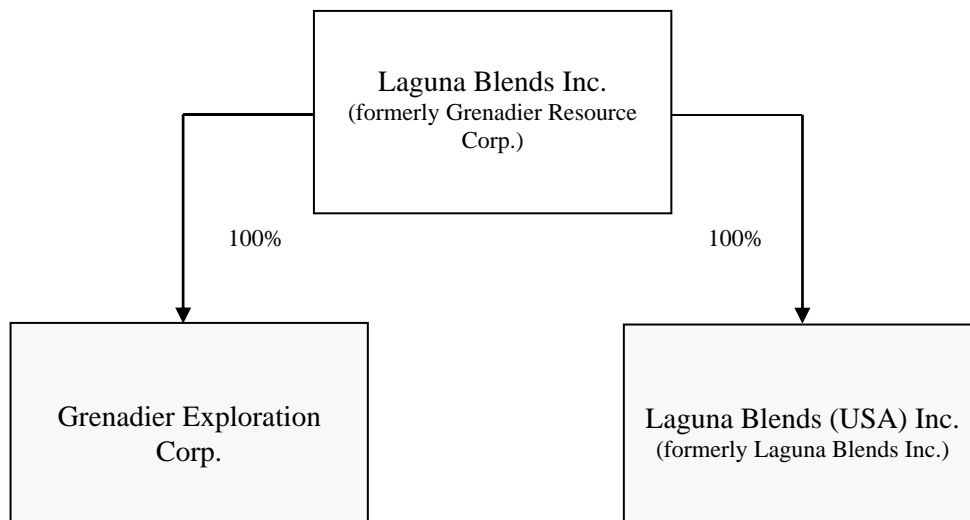
Upon completion of the Share Exchange, it is anticipated that the issued and outstanding capital of the New Issuer will consist of 44,514,932 Common Shares, 6,499,932 Warrants and 3,650,000 incentive stock options (not including any securities that may be issued by the Company pursuant to the Secondary Offering). As a result, former shareholders of Laguna will hold approximately 62.1% of the outstanding common shares of the New Issuer on a non-diluted basis, resulting in a change of control of the Company. The CSE deems the Share Exchange to constitute a “fundamental change” to the Company under Policy 8 of the CSE and, as such, completion of the Share Exchange remains subject to receipt of CSE Approval. There can be no assurance that the Share Exchange will be completed as proposed or at all.

The diagrams on the following page set out the corporate structure of the entities prior to and after completion of the Share Exchange.

PRE- SHARE EXCHANGE



POST- SHARE EXCHANGE



2.5 – Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable to the Company.

3. General Development of the Business

3.1 – General Development of the Business

The Company

On July 8, 2014, the Common Shares were listed for trading on the CSE, following the completion by the Company of a statutory arrangement under an arrangement agreement and plan of arrangement entered into by the Company, its wholly-owned subsidiary Grenadier Exploration Corp., and Gorilla Minerals Corp., dated May 15, 2014 as fully described in the Initial Listing Statement. The Company became a reporting issuer in British Columbia and Alberta effective June 26, 2014 pursuant to the closing of the arrangement, and a reporting issuer in Ontario effective July 8, 2014 upon listing on the CSE.

Since completion of the arrangement, the Company has been engaged in the identification, acquisition, evaluation and exploration of mineral properties. In light of the ongoing challenges, risks, and uncertainties faced by the junior mineral exploration industry, the Company is seeking to diversify its business into the network marketing and nutritional health beverages industries through the proposed acquisition of Laguna.

The Company currently retains its Mining Assets in the Province of Ontario, which are more particularly described in its Initial Listing Statement. However, given the focus the Company intends to place on the business of Laguna following completion of the Share Exchange, the Company intends to divest itself of its Mining Assets following completion of the Share Exchange.

In December 2014, Mr. Glenn Little was appointed as President, Chief Executive Officer, Chief Financial Officer and Director of the Company. Mr. Little has prior business, corporate development and public company experience working with TSX Venture Exchange and CSE listed issuers. This appointment followed the resignations in December 2014 of Mr. Dillon Johnson as President, Chief Executive Officer and Director of the Company, and Ms. Terese Gieselman as Chief Financial Officer of the Company.

On December 29, 2014 and January 23, 2015, the Company announced its intention to complete the Offering to raise gross proceeds of up to \$650,000.

On January 19, 2015, the Company executed a letter of intent to acquire all of the issued and outstanding securities of Laguna, an arm's length party to the Company. The letter of intent was superseded by the Exchange Agreement. See Item 2.4 – *Fundamental Change*.

On February 18, 2015, the Company completed the first tranche of the Offering consisting of 925,895 Units issued for gross proceeds of \$249,992.

On March 6, 2015, the Company completed the second tranche of the Offering consisting of 850,518 Units issued for gross proceeds of \$229,640. A cash finder's fee of 8% was paid to certain finders.

On April 7, 2015, the Company entered into the Exchange Agreement with Laguna and the Laguna Shareholders. See Item 2.4 – *Fundamental Change*.

On May 26, 2015, the Company completed the last tranche of the Offering consisting of 673,519 Units issued for gross proceeds of \$181,850. A cash finder's fee of 8% was paid to certain finders. Under all three tranches of the Offering, a total of \$661,482 was raised by issuance of 2,449,932 Units. A total of approximately \$52,918 was paid as finder's fees pursuant to the Offering. The proceeds from the Offering will be used for working capital and general corporate purposes and may be applied to the costs associated with the completing the proposed Share Exchange.

From January 20, 2015 to May 27, 2015, the Company advanced a series of loans to Laguna in the aggregate principal amount of \$470,000 as evidenced by promissory notes. These loans bear interest at a rate of 12% per annum, compounded monthly, and are payable on demand.

On June 23, 2015, the Company entered into an amended Exchange Agreement with Laguna and the Laguna Shareholders. See Item 2.4 – *Fundamental Change*.

On July 30, 2015, the Company announced it will undertake the Secondary Offering of up to 3,571,429 Secondary Units at \$0.28 per Secondary Unit for gross proceeds of up to \$1,000,000. Each Secondary Unit will be comprised of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of \$0.50 per Common Share for a period of two years from the date of closing of the Secondary Offering. The Warrant terms contain an acceleration provision, such that in the event the Company's Common Shares trade at a price of \$0.60 or more for 20 consecutive trading days, then the expiry date shall be accelerated. A cash finder's fee of 8% may be paid to certain finders. The proceeds from the Secondary Offering will be used for working capital and general corporate purposes. There can be no assurance that the Secondary Offering will be completed as proposed or at all.

Effective July 31, 2015, the Company amended the exercise period of the Warrants issued in connection with the Offering from six months from the date of issuance to one year from the date of issuance. Warrants with expiry dates of August 18, 2015, September 6, 2015, and November 26, 2015, will now expire on February 18, 2016, March 6, 2016, and May 26, 2016, respectively.

Laguna

Laguna is a network marketing company which utilizes a network of independent affiliates to generate retail sales of its products. These affiliates have the ability to recruit other affiliates. Laguna's initial product focus is on functional beverages that have nutritional health benefits derived from hemp.

Laguna is currently a private company and its common stock is not listed on any Canadian or foreign stock exchange or traded on a Canadian or foreign market.

On September 16, 2014, Laguna filed a Certificate of Amendment to Articles of Incorporation for Nevada Profit Corporations authorize the issuance of 5,000,000 preferred non-voting shares at a par value of \$0.001. On October 23, 2014, Laguna filed a Certificate of Amendment to Articles of Incorporation for Nevada Profit Corporations to eliminate the 5,000,000 preferred non-voting shares at a par value of \$0.001 from its authorized share structure and to change its corporate name from "Bonzy Marketing Corp." to "Laguna Blends Inc." The changes of authorized share structure and name change were approved by Laguna's shareholders via shareholders' resolutions.

On August 29, 2014, September 15, 2014, October 15, 2014 and November 21, 2014, Laguna issued a total of four promissory notes to one lender for an aggregate principal amount of \$105,000. The promissory notes were payable at an interest rate of 10% per annum. On January 28, 2015, Laguna issued

a convertible debenture in the principal amount of \$105,000 which replaced and superseded the four promissory notes. Pursuant to the convertible debenture, the lender could convert the loan into shares of Laguna's common stock at a deemed price of \$0.035 per share. On January 30, 2015, the lender converted the debenture and Laguna issued a total of 3,000,000 shares of common stock upon conversion of the convertible debenture.

On September 1, 2014, Laguna issued three promissory notes to lenders for an aggregate principal amount of \$72,785. The promissory notes were payable at a rate of 10% per annum. On December 20, 2014, Laguna issued three convertible debentures which replaced and superseded the promissory notes. Pursuant to the convertible debentures, the lenders could convert the loan into shares of Laguna's common stock at a deemed price of \$0.02 per share. On December 20, 2014, the lenders converted their debentures and Laguna issued a total of 3,639,250 shares of common stock upon conversion of the convertible debentures.

Effective September 1, 2014, Laguna entered into a consulting agreement with Stuart Gray to provide certain business development services to Laguna. In consideration for the services, Laguna agreed to issue: (i) 5,400,000 shares of common stock at a deemed price of \$0.02 per share; and (ii) 4,000,000 transferable warrants of Laguna exercisable into additional shares of common stock at a price of \$0.27 per share for a period of 10 years from the date of issuance of the warrants. On December 31, 2014, Laguna issued 5,400,000 shares of common stock and 4,000,000 warrants pursuant to the consulting agreement. The term of these warrants was amended subsequently as set out below.

Also effective September 1, 2014, Laguna entered into consulting agreements with eleven consultants. In consideration for the consulting services, Laguna agreed to issue a total of 13,960,750 shares of common stock to the consultants at a deemed price of \$0.02 per share. On December 31, 2014, Laguna issued a total of 13,960,750 shares of common stock to eleven consultants pursuant to consulting agreements dated December 31, 2014 in consideration of services rendered to Laguna, including without limitation, services provided as CEO, accounting services, technology services, multilevel marketing consulting, 3D virtual technology consulting, training program development consulting, product design and development services, branding services, business development services, corporate finance advisory services and strategic corporate advisory services. Subsequently, pursuant to a settlement agreement dated May 31, 2015 entered into between Laguna and one of its former consultants, 640,000 shares were returned to treasury, 50,000 Laguna Warrants were issued each of which is exercisable into one Laguna Share until May 31, 2016, and 360,000 previously issued Laguna Shares were made subject to a voluntary escrow whereby 30,000 shares are released from escrow each month for twelve months commencing June 1, 2015.

Laguna entered into a research and development and supply agreement (the "**R&D and Supply Agreement**") with Walking Tree Innovations Ltd. ("**Walking Tree**") that was made as of September 22, 2014 and amended as of March 25, 2015. Pursuant to the R&D and Supply Agreement, Laguna appointed Walking Tree as a researcher, developer and supplier of the products used in Laguna's business for an initial term of two years. The R&D and Supply Agreement will automatically extend for successive one year terms unless either party gives notice to the other party that it will be terminating the R&D and Supply Agreement. The price of the products is to be determined at completion of the research and development steps for each of the products. In addition, Walking Tree has agreed to transfer all rights in and intellectual property in and to the new hemp-based instant coffee product to Laguna on the terms of the R&D and Supply Agreement.

On January 19, 2015, Laguna entered into the Letter of Intent with Grenadier.

On January 23, 2015, Laguna entered into stock option agreements with three optionees. Pursuant to the stock option agreements, Laguna granted a total of 1,800,000 stock options, with each option entitling the optionee to acquire one share of common stock in the capital of Laguna for an exercise price of \$0.16 until January 23, 2018.

Effective February 12, 2015, Laguna entered into termination and return to treasury agreements with five consultants whereby the consultants agreed to return a total of 7,500,000 shares of common stock to treasury without consideration for the sole purpose of Laguna cancelling the shares.

On February 13, 2015, Laguna completed a private placement financing and issued 7,500,000 shares of common stock at a price of \$0.02 for gross proceeds of \$150,000.

On April 7, 2015, Laguna entered into the Exchange Agreement with Grenadier and the Laguna Shareholders.

On April 7, 2015, Laguna issued an aggregate of 2,300,000 Laguna Shares to two finders at a deemed price of \$0.27 per share as finder's fees in connection with the transaction with Grenadier, pursuant to the Exchange Agreement.

Laguna signed a letter of intent dated April 12, 2015 as amended May 29, 2015 (the "**NSE LOI**") with Naturally Splendid Enterprises Ltd. ("**NSE**") (TSX-V: NSP, OTCQB: NSPDF, FRANKFURT: 50N) whereby Laguna and NSE planned to enter into a research, development and manufacturing agreement for the purpose of pursuing mutually beneficial business opportunities in the hemp food products area (the "**NSE Proposed Transaction**"). Pursuant to the terms of the NSE Proposed Transaction, Laguna would place an initial purchase order of \$100,000 for the HempOmegaTM infused hemp protein formulations ("**Laguna HempOmegaTM Infused Protein Products**").

On April 20, 2015, Stuart Gray advanced a loan to Laguna in the principal amount of \$50,000 as evidenced by a promissory note. This loan bears interest at a rate of 10% per annum and is payable on demand.

On April 29, 2015, Laguna entered into an agreement with Stuart Gray whereby the expiry date of the 4,000,000 transferable warrants of Laguna was amended to be December 31, 2019.

From January 20, 2015 to May 27, 2015, Grenadier advanced a series of loans to Laguna in the aggregate principal amount of \$470,000 as evidenced by promissory notes. These loans bear interest at a rate of 12% per annum, compounded monthly, and are payable on demand.

Effective May 31, 2015, Laguna entered into a settlement agreement with one of its former consultants as set out above, whereby 640,000 Laguna Shares were returned to treasury, 50,000 Laguna Warrants were issued and 360,000 Laguna Shares were deposited into a voluntary escrow.

On June 17, 2015, Stuart Gray advanced a loan to Laguna in the principal amount of \$15,000 as evidenced by a promissory note. This loan bears interest at a rate of 10% per annum and is payable on demand.

On June 23, 2015, Laguna entered into an amendment to the Exchange Agreement with Grenadier and the Laguna Shareholders.

On July 9, 2015, Laguna and Stuart Gray entered into a return to treasury agreement whereby 100 Laguna Shares issued to Mr. Gray on June 14, 2014 as founders shares were returned to the treasury of Laguna for the sole purpose of Laguna retiring the surrendered shares without any consideration.

On July 16, 2015, Laguna entered into an agreement with Stuart Gray, whereby Mr. Gray advanced a secured loan in the principal amount of \$250,000 to Laguna on the terms and conditions of the loan agreement. The loan is due and payable in full on July 16, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and the proceeds thereof.

On July 28, 2015, Laguna entered into a development and manufacturing agreement with NSE (the “**NSE Agreement**”) which replaced and superseded the NSE LOI and placed the initial purchase order of \$100,000 for Laguna HempOmega™ Infused Protein Products. Pursuant to the NSE Agreement, NSE granted Laguna (i) a non-exclusive, non-transferrable and royalty-free license to include the HempOmega™ trade-mark on the Laguna HempOmega™ Infused Protein Products, as specified on a white private label agreement, (ii) a worldwide exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products, dependent on Laguna achieving certain sales targets, and (iii) if Laguna does not achieve the sales targets, a worldwide and non-exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products. Specifically, Laguna must meet the following minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products: \$1,600,000 in the first year of the NSE Agreement, and \$4,500,000 in the second year of the NSE Agreement. Either party may terminate the NSE Agreement upon 60 days written notice to the other party. There can be no assurance that Laguna will be able to meet the minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products.

On July 28, 2015, Laguna and Stuart Gray entered into a debt settlement and subscription agreement, whereby \$65,000 previously loaned by Mr. Gray to Laguna under two promissory notes and the interest thereon were settled by the issuance of 1,400,000 Laguna Shares to Mr. Gray. Also, on this date, Mr. Gray returned 1,400,000 Laguna Shares which were issued to Mr. Gray pursuant to his consulting agreement with Laguna to treasury for cancellation.

On July 31, 2015, Laguna entered into a loan agreement with an arm’s length lender, whereby the lender advanced a secured loan in the principal amount of \$50,000 to Laguna on the terms and conditions of the loan agreement. The loan is due and payable in full on July 31, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and proceeds thereof, which security ranks equally with the \$250,000 secured loan advanced by Mr. Gray. In connection with this loan, Mr. Gray transferred 50,000 Laguna Warrants to the lender.

3.2 – Significant Acquisitions and Dispositions

Please refer to Item 2.4 – *Fundamental Change* for a description of our proposed acquisition of Laguna and Item 3.1 – *General Development of the Business* for a description of the statutory arrangement the Company completed in 2014.

3.3 – Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Company’s business, the Company’s financial condition or

results of operations. However, there are significant risks associated with the Company's business, as described in Item 17 – *Risk Factors*.

4. Narrative Description of the Business

4.1 Narrative Description of the Business

The principal business intended to be carried out by the New Issuer following the completion of the Share Exchange, which will be carried on through Laguna, is to generate retail sales of products through a network of independent affiliates. Laguna will be a wholly-owned subsidiary of the Company upon completion of the Share Exchange.

General

Laguna's business is focused on network marketing through independent affiliates. Initially, Laguna intends to focus on the marketing and sales of functional beverages that have nutritional health benefits derived from hemp. Laguna works with manufacturers and suppliers to develop nutritional hemp-based products, including functional beverages specifically for Laguna, which provide high levels of protein and/or nutrition, and then arranges for the sale and distribution of these products through its network of independent affiliates.

Laguna's products are made from high quality hemp protein. Laguna's initial product offerings will include: (i) the "**Laguna Hemp Coffee**", a proprietary hemp-based instant-coffee beverage that contains high levels of whey and hemp protein; and (ii) "**Pro369**", a unique single serving "on the go" hemp protein with a variety of flavours. The hemp proteins are water soluble and can be directly mixed in water, milk, almond milk or coconut milk. Pro369 can also be blended in a shake with fruit. Laguna's focus at the present time is the functional beverage category; however, Laguna plans to launch teas and additional product categories in the future if determined appropriate by the board of directors. See "*Narrative Description of the Business – Laguna's Products*" below.

Since incorporation, Laguna has been focused on research and development in connection with its functional beverage products and on structuring and developing the manufacturing, distribution and sales process and framework through which Laguna will deliver its products to retail customers.

Laguna intends to market its products under the name Laguna Blends or under other brand names owned by Laguna, and intends to sell its products through its independent affiliates in the U.S. and Canada. Laguna anticipates conducting a soft launch of its business in the Fall of 2015, and commencing commercial production, sales and distribution of Pro369 accordingly. Laguna intends commence commercial production, sales and distribution of the Laguna Hemp Coffee at a later date, subject to it having satisfactory capital to purchase the products. See "*Narrative Description of the Business – Business of Laguna – Significant Events or Milestones*" and "*Narrative Description of the Business – Business of Laguna – Total Funds Available*".

Laguna has independent affiliates that are expected to generate retail sales of Laguna's products and who have the ability to recruit other affiliates. Laguna's affiliates utilize tools and technology through network marketing that enable them to build an international business from their own home or while traveling on the road.

Laguna intends to drive its sales and distribution through the power of network marketing. Laguna is positioned with its healthy hemp products to gain market share by acquiring new affiliates and customers, and also by attracting leaders from other network marketing companies such as Organo Gold. Organo

Gold, founded in 2008, was launched to bring Ganoderma-infused coffee and other products to the market. In 2008, Organo Gold sold US\$2 million of healthy coffee. Organo Gold's gross revenues then grew from US\$35 million in 2010, to \$150 million in 2011 and \$270 million in 2012. Although Laguna intends for its business to be successful, there is no guarantee that, once launched, Laguna's business will have success comparable to Organo Gold or that it will be successful at all. See "*Risk Factors*".

Business Strategy Through Network Marketing

The concept of network marketing is based on the strength of personal recommendations that frequently come from friends, neighbours, relatives, and close acquaintances. Laguna believes that network marketing is the most effective way to distribute hemp-based products because it allows person-to-person product education and testimonials as well as higher levels of customer service, all of which are not as readily available through other distribution channels.

Laguna aims to enhance its sales and marketing strategy through:

- A skilled and diverse management team.
- New product development.
- A Binary commission structure that makes it as easy as possible for affiliates to join Laguna and provides them with the opportunity to start generating revenues as quickly as possible in a number of different ways.
- Development and roll-out of a comprehensive training system for the affiliates.
- Development of a year-round, multi-faceted promotional plan that targets different product and market segments for implementation by the affiliates.
- Expansion to grow internationally.
- Licensed immersive Web collaboration technology, used as a communication and training tool for affiliates. In addition there are future plans to expand this technology as a recruiting tool.

Laguna's founders have experience in business, marketing and the network marketing field. They have connections with a network of marketing professionals in the industry across North America and internationally.

Network marketing is a significant business. In 2011, it was estimated that direct marketing (the vast majority of it through network marketing) by approximately 16 million agents in the U.S. generated sales of nearly US\$30 billion. Worldwide, 92 million distributors in 2011 grossed US\$154 billion, according to the Direct Selling Association. Network marketers apply great efforts to distinguish their businesses.

Overview of Hemp

Hemp is a complete source of nutrition containing 33% protein – the most digestible protein of any plant. Hemp contains all 20 known essential amino acids including the ten of which our bodies cannot produce and must be supplied in the food eaten daily. Amino acids are the building blocks of proteins and are necessary for building and repairing muscle tissue and are vital to the maintenance of a healthy immune system. Hemp also contains over 80% essential fatty acids ("**EFAs**"), the most compared to all other oilseeds. EFAs are considered "the good fats" because they cannot be produced by the body and must be

consumed through diet for proper growth and body functioning. EFAs help you burn excess fat, restore health to the cardiovascular system, relieve arthritis pain and inflammation, and strengthen the immune system.

Hemp is also rich in Omega 3, 6 and 9 EFAs, which are essential to the proper development and functioning of the brain, reproductive systems, metabolism, as well as helping maintain the health of skin and hair and energy production. Studies have shown that it is important to consume Omega 6 and Omega 3 in the proper balanced ratio. Hemp is the only edible oil that naturally contains the perfect ratio of 3:1 Omega 6 to Omega 3 EFAs, as recommended by the World Health Organization. Hemp has long been recognized by the health and nutrition industry as a super food, cited in many publications as a balanced source of all of the ingredients required to achieve health and wellness.

North American Hemp Market

Currently, the main markets for hemp are health foods, functional foods and nutraceuticals, with secondary markets in natural body care and cosmetics, birdseed and pet/veterinarian markets. Hemp is used as an ingredient in the production of an array of products in these markets. The demand in these principal hemp markets is presently for hemp seed. Hemp seed attracts commercial interest due to its protein content and essential fatty acid profile, and can take the form of a seed, oil, flour, powder or finished foods. While the health food and nutraceutical sectors are the primary purchasers of hemp, there is a growing market in the cosmetics and body care products for hemp oil.

Much of the hemp market is in the U.S. As the U.S. did not permit hemp farming until recently, there is a large captive market for Canadian production south of the border. Coupled with a strong future in the U.S., there is also a growing market in Canada. Most of the industrial hemp in Canada is exported to the U.S., with the Canadian hemp market accounting for over \$10 million a year in exports to the U.S. alone. One report compiled by Alberta Agriculture and Rural Development estimates gross revenue for Canadian hemp seed production at between \$30.75 million and \$34 million. Awareness about hemp is rising, because hemp is used in many products and helps contribute to the health of people, farms and communities. Some companies active in the sector have reported a 20–40% growth in businesses over the past few years. Retail sales of all Canadian-derived hemp seed products are now estimated to be as high as US\$20–\$40 million annually. (Source: “Hemp as an Agricultural Commodity” dated February 2, 2015 by Renée Johnson, Congressional Research Service; Online: <https://fas.org/sgp/crs/misc/RL32725.pdf>)

There is no official estimate of the value of U.S. sales of hemp-based products. The Hemp Industries Association (“**HIA**”) estimates that the total U.S. retail value of hemp products in 2012 was nearly US\$500 million, which includes food and body products, clothing, auto parts, building materials and other products. Of this, HIA reports that the value of hemp-based food, supplements, and body care sales in the United States is approximately US\$156-\$171 million (Source: “Hemp as an Agricultural Commodity” dated February 2, 2015 by Renée Johnson, Congressional Research Service; Online: <https://fas.org/sgp/crs/misc/RL32725.pdf>).

Laguna’s Products

Laguna’s commitment to its affiliates and customers is to deliver quality products with an emphasis on nutrition. Laguna intends to introduce unique product formulations that are not available anywhere else in the marketplace. Laguna is currently focused on the functional beverage category; this will include Laguna Hemp Coffee, Pro369 and other nutritional hemp protein products.

Laguna's Initial Products

Laguna's Initial Product offerings are the Laguna Hemp Coffee and Pro369. These products have been designed to be unique and proprietary. Laguna intends to initiate a soft launch of Pro369 in Fall 2015, with the soft launch of the Laguna Hemp Coffee to follow subject to financing.

Pro369

Pro369 is a convenient single serving of hemp protein. Consumers can dilute this product in a hot or cold beverage of choice, mix it in a protein shake or sprinkle it over cereal. Laguna's unique hemp protein creates a soluble hemp beverage that can be produced in numerous flavours that appeal to a variety of consumer tastes and preferences. The research and development for this product has been completed, and Pro369 flavor formulations have been finalized.

Pursuant to the NSE Agreement, Laguna and NSE agreed upon the basic terms and conditions for the development and manufacturing of certain formulations of NSE's HempOmegaTM protein specifically for Laguna.

Laguna and NSE have completed development of specific formulations of Pro369, and the formulations have been subject to tasting by Laguna representatives. The first purchase order for Pro369 formulations was placed by Laguna on August 4, 2015. For all subsequent purchase orders, the parties will negotiate and finalize the purchase price prior to the commencement of manufacturing by NSE. The flavours of Pro369 that NSE has developed for Laguna are: (i) vanilla caramel, (ii) chocolate banana, (iii) berry, and (iv) tropical. In addition to NSE's HempOmegaTM Protein and the aforementioned flavourings, Pro369 also contains ginseng.

The research and development completed for Pro369 to date has been completed at NSE's expense. Pursuant to the NSE Agreement, NSE granted Laguna an exclusive license for the formulations developed by NSE for Laguna contingent on certain sales targets being met. This is expected to be the first of several anticipated product categories that NSE will manufacture for Laguna under a white label opportunity. NSE will pay all research and development costs and will arrange all manufacturing. Arrangements have been made with NSE to deliver the manufactured Pro369 to Expeditors International of Washington, Inc. ("**Expeditors**"), at its Richmond, B.C. distribution centre, who will in turn arrange for delivery of Pro369 across North America on behalf of Laguna. See Item 3.1 – *General Development of the Business – Laguna* for more information regarding the NSE Agreement.

Laguna has also worked with marketing and design consultants to develop packaging, branding and marketing materials for Pro369.

Laguna Hemp Coffee

Laguna's hemp protein coffee beverage is a flagship product since protein is essential in the daily diet. Laguna Hemp Coffee is loaded with proteins, both whey and hemp. With 20% protein in every serving, this proprietary product is designed to be powerfully effective. Laguna owns the intellectual property rights for this proprietary hemp coffee. The research and development for this product has been completed, samples have been manufactured, and it is in the final stages before commercialization.

Pursuant to the R&D and Supply Agreement with Walking Tree for the development of the Laguna Hemp Coffee, Walking Tree developed this new hemp-based instant coffee product for Laguna and transferred all intellectual property and rights in and to this product to Laguna. Laguna spent approximately one year

and incurred approximately \$100,000 (unaudited) of expenses in connection with research and development for this product.

In addition, pursuant to the R&D and Supply Agreement, Walking Tree has agreed to coordinate the manufacturing process for the commercialization of the Laguna Hemp Coffee. It is expected that PNP Pharmaceuticals Inc. (“**PNP**”) of Burnaby, B.C. will manufacture the Laguna Hemp Coffee and that Expeditors, from its Richmond, B.C. distribution centre, will serve as a distribution outlet for the Laguna Hemp Coffee.

As of the date of this Listing Statement, samples of the Laguna Hemp Coffee product have been manufactured and circulated, although commercial production of this product has not yet commenced. Laguna anticipates that following closing of the Share Exchange and subject to the necessary funding being available to Laguna, it will be in a position to commence commercial production of the Laguna Hemp Coffee. PNP has advised Laguna that approximately 8 to 12 weeks of lead time is needed to commence commercial production of the Laguna Hemp Coffee.

Laguna has also worked with marketing and design consultants to develop packaging, branding and marketing materials for the Laguna Hemp Coffee.

Laguna’s Proposed Future Products

In the future, Laguna plans to expand its product line to include other hemp-based nutritional products. Expansion of Laguna’s product line, and the timing thereof, remains subject to a number of factors, including without limitation, demand for the proposed products, availability of financing, and the ability to economically complete the corresponding research, development and manufacturing for such products.

Laguna is considering future product offerings such as Laguna Hemp Teas and Phase 2 CBD Products:

Laguna’s Hemp Teas

Laguna’s hemp tea formulations are intended to be healthy beverages with flavour profiles that appeal to consumers. Since consumers already recognize the health benefits of botanical teas, this product is designed so that consumers can enjoy their tea with the added nutritional benefits derived from hemp.

This product is currently in the discussion and planning stage. Research and development will be needed for this product along with financing and the satisfaction of other criteria before this product can be commercialized.

Phase 2 CBD Products

Cannabis that is rich in cannabidiol (“**CBD**”) does not have the same effects as traditional cannabis. This makes it an appealing treatment option for patients seeking anti-inflammatory, anti-pain, anti-anxiety, anti-psychotic, and/or anti-spasm effects without troubling lethargy or dysphoria. Scientific and clinical studies underscore CBD’s potential as a treatment for a wide range of conditions. Some of those conditions include arthritis, diabetes, alcoholism, MS, chronic pain, schizophrenia, PTSD, antibiotic-resistant infections, epilepsy, and other neurological disorders. CBD has demonstrated neuroprotective and neurogenic effects, and its anti-cancer properties are currently being investigated at several academic research centres in the United States and elsewhere.

As public awareness of the benefits of hemp grows, it is expected that public awareness will also grow regarding the benefits of CBDs, a by-product of hemp. CBDs have a number of medicinal benefits that

are just now becoming fully understood. Laguna is positioned to capitalize on this development by infusing CBDs in its coffees, teas and other products containing CBDs.

This product is at the preliminary discussion stage. A detailed review of the regulatory requirements relating to CBD products in Canada and the United States will be needed before planning and research and development is undertaken for this product.

Production and Sales

Upon completion of the Share Exchange and the milestones set out below being achieved, the New Issuer intends to begin a marketing campaign in order to recruit independent affiliates for its sales network and to establish a customer base. Laguna has developed a compensation and payment model for its independent affiliates, and customized technology with the assistance of Laguna's consultants, to manage the ordering, sales, and distribution of Laguna's products and the payment of related commissions to Laguna's independent affiliates.

Laguna expects that it will take approximately 12 months to reach acceptable levels of production, sales and marketing following the soft launch of its business, which is currently anticipated for Fall 2015. The first purchase order for Pro369 formulations was placed by Laguna on August 4, 2015. Arrangements have been made with PNP for the manufacturing of Laguna Hemp Coffee. Following closing of the Share Exchange and subject to the necessary funding being available, Laguna expects to initiate commercial production of the Laguna Hemp Coffee. See "*Available Funds and Principal Purposes*". As noted above, approximately 8 to 12 weeks of lead time is required before commercial production of the Laguna Hemp Coffee can be commenced. Laguna intends to use Expeditors as its distribution outlet in order to distribute Laguna's products to retail customers across North America.

Laguna intends to utilize manufacturing partners to produce white label products on its behalf and to brand these products under the Laguna Blends label prior to sale. Laguna has developed, with the assistance of its consultants, branding, packaging and marketing materials for the Laguna Hemp Coffee and Pro369.

Specialized Skill and Knowledge

Laguna is dependent upon the skills of its directors and officers for the successful operation of its business. At present, there is no key-man insurance in place for any members of the management and development team. The loss of services of any of these personnel could have a material adverse effect on Laguna's business. Laguna also relies on a team of consultants to carry out its business objectives and the unexpected loss of any of these consultants could have a serious impact on the business.

Competitive Conditions

Laguna operates in a rapidly evolving and highly competitive industry. Since hemp can be consumed in a variety of ways, any entity that produces hemp-based nutritional products is a potential competitor to Laguna. This includes companies that produce foods, beverages and other nutritional products incorporating hemp ingredients.

In addition, Laguna competes against other companies that distribute nutritional products through network marketing. These companies include:

- *Immunotec Inc.:* Immunotec Inc. ("**Immunotec**") offers nutritional products through its network of independent consultants. Headquartered with manufacturing facilities near Montreal, Canada,

Immunotec also subcontracts certain distribution logistics and manufacturing capacity activities in the United States, Europe and Mexico to support its activities.

- *Organo Gold Enterprises, Inc.:* Organo Gold Enterprises, Inc. (“**Organo Gold**”) offers premium gourmet beverages, nutraceuticals and personal care products. Organo Gold, which started as a gourmet coffee company, was recognized as the 55th largest network marketing company by Direct Selling News, a top industry trade publication, in 2014 for its 26% sales increase over the past 12 months. Organo Gold’s revenues increased 26% to \$215 million in 2013 compared to 2012.

To the knowledge of management of Laguna, there is no other coffee company and/or network marketing company that has the unique and proprietary hemp coffee product that Laguna has the intellectual property rights for. There are other companies that produce and sell hemp seed coffees, but to the knowledge of management of Laguna, there are no hemp protein coffees that combine coffee, hemp and whey.

In addition, Laguna has the license for a unique compensation plan which calculates payments and commissions for Laguna and its independent affiliates in connection with the sales of Laguna’s products. See “*Material Contracts*”.

Source of Ingredients

The ingredients in Laguna’s products are proprietary and unique. Laguna’s initial product category is expected to be in the functional beverage category, with an emphasis on the health benefits of hemp. The ingredients used in Laguna’s products are expected to be sourced from a variety of suppliers by the manufacturers of Laguna’s products.

Intangible Properties

Laguna has invested significant resources in the design and development of its products. Although Laguna does not currently hold any registered trademarks, patents or pending patent applications, Laguna has taken appropriate measures to ensure that its product designs remain confidential. Specifically, Laguna seeks to avoid disclosure of its proprietary information by requiring employees and consultants to enter into agreements featuring confidentiality provisions. Such agreements prohibit employees and consultants from disclosing any confidential information outside of Laguna or for any use or purpose other than those of Laguna. These agreements govern interactions with business partners and prospective business partners where disclosure of proprietary information may be necessary.

Cycles

Since some of Laguna’s products are designed to be consumed on a regular basis, Laguna’s business is not expected to be cyclical or seasonal.

Economic Dependence and Changes to Contracts

Although the Walking Tree R&D Agreement and the NSE Agreement are expected to be important to the business of Laguna, it is not anticipated that the business of Laguna will be economically dependent on these contracts. If necessary, Laguna believes that it will be able to negotiate contacts with other developers and manufacturers for its products. See Item 3.1 – *General Development of the Business – Laguna*.

Legal and Regulatory Environment

Laguna is subject to numerous environmental and health and safety laws, including statutes, regulations, bylaws and legal requirements contained in approvals or that arise under common law. These laws relate to the advertising, distribution, labeling, production, safety, sale, and transportation of Laguna's products. These legal requirements vary by location and can arise under federal, provincial, state or municipal laws.

Laguna believes that it is in substantial compliance with all material environmental and health and safety legal requirements and is not aware of any breach of such requirements or other similar liabilities the resolution of which would have a material adverse effect on Laguna and its operations.

Laguna may be subject to litigation from time to time in the ordinary course of its business and is not aware of any pending or threatened litigation that would have a material adverse effect on Laguna and its operations.

Employees

Laguna has no employees. Laguna uses a network of consultants to conduct specific business for Laguna.

Foreign Operations

The HIA estimates that the value of hemp-based food, supplements, and body care sales in the United States is about \$156 million to \$171 million (Source: "Hemp as an Agricultural Commodity" dated February 2, 2015 by Renée Johnson, Congressional Research Service; Online: <https://fas.org/sgp/crs/misc/RL32725.pdf>). Laguna plans to expand its business across North America and internationally, including seeking out manufacturing partners in the United States and promoting sales and distribution of its products across Canada and the United States. Other than planning to expand its business across North America, Laguna does not depend upon foreign operations.

Business Objectives

The New Issuer intends to:

- (i) launch sales and distribution of its Initial Products in Canada and the United States in Fall 2015; and
- (ii) achieve \$11 million in gross revenues from sales of Laguna's products within 12 months of launching sales and distribution of its Initial Products.

Although management of Laguna intends to make reasonable effort to achieve these goals, they may not be achieved within the timeframe set out above or at all. See "*Risk Factors*".

Significant Events or Milestones

The principal milestones that must occur during the 12-month period following completion of the Share Exchange in order for the business objectives described above to be accomplished are as follows:

Milestone	Target Date	Estimated Cost
Payment of the balance of the deposit for the initial purchase order of Pro369	September 30, 2015	\$50,000 ⁽²⁾
Engagement of independent sales affiliates for sales of Initial Products	September 30, 2015	\$10,000
Soft launch of sales of Pro369	October 15, 2015	\$15,000 ⁽³⁾
Initial purchase order for Laguna Hemp Coffee ⁽¹⁾	Winter 2016 ⁽¹⁾	\$150,000 ⁽²⁾
Soft launch of sales of Laguna Hemp Coffee ⁽¹⁾	Winter 2016 ⁽¹⁾	\$15,000 ⁽³⁾
Ongoing purchase orders for Initial Products	Ongoing	\$100,000 ⁽⁴⁾
TOTAL		\$340,000

(1) The launch of commercial production, sales and distribution of the Laguna Hemp Coffee is subject to financing, and the aforementioned target date may vary accordingly. Purchase orders for the Laguna Hemp Coffee generally need to be submitted 8 to 12 weeks ahead of time.

(2) The research and development costs and costs associated with the preparation of the Initial Products for commercialization are built into the purchase price for the Initial Products from the various manufacturers and developers estimated in this table. Branding costs for the products are built into the estimated amount for sales of Initial Products, which includes marketing expenses. This includes the initial purchase order of Pro369 in the amount of \$100,000 placed by Laguna on August 4, 2015, for which a \$50,000 deposit has been paid and \$50,000 remains to be paid on delivery of the initial order of Pro369. Subject to the necessary funding being available, Laguna expects to initiate commercial production of the Laguna Hemp Coffee and place additional orders for Pro369 as necessary to meet consumer demand.

(3) Includes marketing and travel expenses.

(4) This amount is an estimate only and will vary depending on a number of factors, including, without limitation, demand for the Initial Products and the availability of financing to complete the ongoing purchase orders. Laguna anticipates that the purchase orders for Initial Products in the first 12 months following completion of the Share Exchange will range from \$100,000 to \$2,000,000.

The milestones set out above are for the 12-month period following completion of the Share Exchange, and do not include the several milestones that Laguna has achieved to date with respect to the advancement of its business. These milestones include, among other things: entry into research and development agreements for the Initial Products; completion of research and development for the Initial Products; development of the proprietary Laguna Hemp Coffee; development of Pro369 and of flavor formulations of this product that are specific to Laguna; placing the initial purchase order for Pro369; development of branding and packaging for the Initial Products; making arrangements for the manufacturing of the Laguna Hemp Coffee; developing a structure and plan for manufacturing, ordering and distribution of the Initial Products; development of a compensation plan for network marketing and direct sales; acquisition of rights to and customization of software to manage and tract distribution of Laguna's products, direct selling efforts and compensation of independent affiliates; establishing relationships with independent affiliates to build Laguna's network for direct selling efforts; addressing compliance, legal and regulatory requirements necessary to launch Laguna's business; and manufacturing of samples of the Initial Products. These activities of Laguna in achieving these milestones has been funded by Laguna (and in the case of certain research and development activities by the other parties to those agreements pursuant to the terms of the applicable research and development agreements) from its equity and convertible debt financings and shareholder's loans and other loans as more particularly described under "*General Development of the Business – Laguna*", and from advances made to Laguna by the Company. The advances made by the Company to Laguna as at the date of this Listing Statement total approximately \$470,000.

Total Funds Available

The consolidated *pro forma* balance sheet of the New Issuer, which gives effect to the Share Exchange as if it had been completed as of June 30, 2015 and completion of the Secondary Offering, is attached hereto as Schedule “C”. As at June 30, 2015, on a *pro forma* basis assuming completion of the Secondary Offering, the New Issuer had working capital of \$908,089 (working capital deficit of \$91,911 without giving effect to the Secondary Offering).

The Company has historically relied upon equity financings to satisfy its capital requirements and expects the New Issuer to continue to depend upon equity capital to finance its activities in the future until such time as the business of Laguna begins generating sufficient revenues, assuming completion of the Share Exchange.

The Company has completed the Offering consisting of 2,449,932 Units issued at a price of \$0.27 per Unit for gross proceeds of \$661,482 by closing three tranches on February 18, 2015, March 6, 2015 and May 26, 2015. Each Unit consisted of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.50 for six months following issuance of the Warrant. The exercise period of these Warrants was subsequently amended from six months from the date of issuance to one year from the date of issuance, such that Warrants with expiry dates of August 18, 2015, September 6, 2015, and November 26, 2015, will now expire on February 18, 2016, March 6, 2016, and May 26, 2016, respectively. Proceeds from the Offering will be used for working capital and general corporate purposes and may be applied to the costs associated with completing the proposed Share Exchange.

As at July 31, 2015, the most recent month end prior to the date of this Listing Statement, the unaudited estimated *pro forma* working capital of the New Issuer was approximately \$184,016 (\$1,184,016 after giving effect to the Secondary Offering).

Purpose of Funds

The *pro forma* working capital position of the New Issuer as at June 30, 2015, giving effect to the Share Exchange as if it had been completed on that date and completion of the Secondary Offering, was \$908,089 (working capital deficit of \$91,911 without giving effect to the Secondary Offering). As at July 31, 2015, the most recent month end prior to the date of this Listing Statement, the unaudited estimated *pro forma* working capital of the New Issuer is approximately \$184,016 (\$1,184,016 after giving effect to the Secondary Offering).

The estimated use of funds for the 12-month period following completion of the Share Exchange is set forth below.

Use of Proceeds	Estimated Funds to be Expended⁽¹⁾
Costs to complete the acquisition of Laguna and the requalification on the CSE	\$60,000
Consulting fees	\$200,000
Office and rent	\$30,000
Travel and Marketing	\$30,000 ⁽²⁾
Initial purchase order for Pro369	\$50,000 ⁽³⁾
Initial purchase order for Laguna Hemp Coffee	\$150,000
Ongoing purchase of Initial Products	\$100,000 ⁽⁴⁾
Professional, transfer agent and filing fees	\$40,000
Licensing and regulatory approval expenses	\$15,000

Research and development of new products	\$10,000
General and administrative	\$23,000
Total funds:	<u>\$708,000</u>

- (1) The amounts included in this column are estimates and are provided for the 12 months following the date of this Listing Statement.
- (2) Marketing expenses include expenses associated with engaging independent affiliates with the sales and distribution of the New Issuer's products.
- (3) The initial purchase order for Pro369 was placed on August 4, 2015 in the amount of \$100,000. As of the date of this Listing Statement, a \$50,000 deposit has already been paid and the remaining \$50,000 is payable upon delivery of the Pro369 products ordered pursuant to the initial purchase order.
- (4) This amount is an estimate only and will vary depending on a number of factors, including, without limitation, demand for the Initial Products and the availability of financing to complete the ongoing purchase orders. Laguna anticipates that the purchase orders for Initial Products in the first 12 months following completion of the Share Exchange will range from \$100,000 to \$2,000,000.

The New Issuer intends to spend the funds available to it for the principal purposes described above. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the New Issuer to achieve its objectives. The New Issuer will require additional funds in order to fulfill all of its expenditure requirements to meet its new business objectives and expects to either issue additional securities or incur indebtedness. There can be no assurance that additional funding will be available to the New Issuer if required and that such funding will be on favorable terms. However, it is anticipated that the available funds will be sufficient to satisfy the New Issuer's objectives over the next 12 months.

Lending and Investment Policies and Restrictions

This is not applicable to the Company.

Bankruptcy and Receivership

Neither the Company nor Laguna have been the subject of any bankruptcy or any receivership or similar proceedings against either of them, as applicable, or their subsidiaries, if any, or any voluntary bankruptcy, receivership or similar proceedings by the Company, Laguna or their subsidiaries, as applicable, within the three most recently completed financial years or the current financial year.

Material Restructuring

Except for the statutory arrangement completed by the Company in May 2014, the Company has not been subject to any material restructuring transaction within the three most recently completed financial years nor is the Company proposing any material restructuring transaction for the current financial year, other than with respect to its proposed acquisition of Laguna by way of the Share Exchange.

Laguna has not completed any material restructuring transactions.

Social and Environmental Policies

Given their current stage of development, neither the Company nor Laguna have any social or environmental policies in place.

4.2 – Asset Backed Securities

The Company does not have any asset backed securities.

4.3 – Companies with Mineral Projects

The Company currently retains its Mining Assets in the province of Ontario, as disclosed in its Initial Listing Statement; however, given the Company's plan to focus on its new proposed business following completion of the Share Exchange, the Company intends to divest itself of its Mining Assets.

5. Selected Consolidated Financial Information

5.1 – Consolidated Financial Information – Annual Information

The Company's financial statements for its most recent financial year ended March 31, 2015 and the interim period ended June 30, 2015 are available on the SEDAR website under the Company's profile at www.sedar.com.

The following financial data summarizes selected financial data for the Company prepared in accordance with IFRS for the financial year ended March 31, 2015 and the interim period ended June 30, 2015.

The information presented below is derived from the Company's annual financial statements for the financial year ended March 31, 2015 and the Company's interim financial statements for the period ended June 30, 2015. The information set forth below should be read in conjunction with the Company's financial statements available on SEDAR at www.sedar.com.

Selected Financial Data - Grenadier

	Financial Year Ended March 31, 2015 (audited)	Three-month period ended June 30, 2015 (unaudited)
Revenue	-	-
Total Expenses	\$606,216	\$91,785
Net loss and total comprehensive loss for the period	\$606,216	\$91,785
Basic and diluted loss per common share	\$0.04	\$0.01
Cash	\$89,654	\$2,494
Total assets	\$525,852	\$589,415
Total short-term liabilities	\$45,207	\$23,281
Total long-term liabilities	\$45,207	\$23,281
Cash dividends per common share	-	-

The following financial data summarizes selected financial data of Laguna prepared in accordance with IFRS for the period from June 24, 2014 (the date of incorporation of Laguna) to March 31, 2015. The information set forth below should be read in conjunction with the audited financial statements of Laguna and the related notes attached hereto as Schedule “A”.

Selected Financial Data - Laguna

	Period from June 24, 2014 to March 31, 2015 (audited)
Revenue	-
Total Expenses	\$912,978
Net loss and total comprehensive loss for the period	\$912,978
Basic and diluted loss per common share	\$0.17
Cash	\$14,560
Total assets	\$78,408
Total short-term liabilities	\$416,086
Total long-term liabilities	-
Cash dividends per common share	-

The following financial data summarizes selected financial data of the New Issuer giving effect to the Share Exchange as at June 30, 2015 and completion of the Secondary Offering. The information set forth below should be read in conjunction with the pro-forma consolidated financial statements of the New Issuer and the related notes attached hereto as Schedule “C”.

Selected Financial Data – New Issuer

	Pro Forma Consolidated Statement of Financial Position as at June 30, 2015 (unaudited)
Cash and cash equivalents	\$1,303,422
Total assets	\$1,414,957
Total short-term liabilities	\$444,709
Total long-term liabilities	\$444,709

5.2 – Consolidated Financial Information – Quarterly Information

The financial results of the Company for each of the four most recently completed quarters ending at the end of the most recently completed financial year ended March 31, 2015, are summarized below:

	Three-month period ended March 31, 2015 (unaudited)	Three-month period ended December 31, 2014 (unaudited)	Three-month period ended September 30, 2014 (unaudited)	Three-month period ended June 30, 2014 (unaudited)
Revenue	-	-	-	-
Net Income (Loss)	\$(109,335)	\$(109,963)	\$(336,947)	\$(49,971)
Basic and Diluted Income (Loss) per Common Share	\$(0.04)	\$(0.01)	\$(0.03)	\$(0.00)

Laguna was incorporated on June 24, 2014 so has not completed more than one fiscal year. The financial results of Laguna for the most recently completed quarter ended June 30, 2015 are summarized below:

	Three-month period ended June 30, 2015 (unaudited)
Revenue	-
Total Expenses	\$924,934
Net loss and total comprehensive loss for the period	\$924,934
Basic and diluted loss per common share	\$0.03
Cash	\$928
Total assets	\$18,908
Total short-term liabilities	\$660,520
Total long-term liabilities	-
Cash dividends per common share	-

5.3 – Dividends

The Company does not have a dividend policy and does not intend to pay dividends to its shareholders for the foreseeable future.

5.4 – Foreign GAAP

Section 5.4 is not applicable to the Company.

6. Management's Discussion and Analysis

The Company's MD&A for its most recent financial year ended March 31, 2015 and the interim period ended June 30, 2015 are available on the SEDAR website under the Company's profile at www.sedar.com.

6.12 Proposed Transactions

For further details concerning the expected impact of the Share Exchange and acquisition of the Laguna business on the Company's financial condition, results of operations and cash flows, see the unaudited *pro forma* consolidated statement of financial position of Laguna prepared by its management as of and for the period ended June 30, 2015, giving effect to the Share Exchange as if it had been completed as of June 30, 2015 and completion of the Secondary Offering.

The *pro forma* statement has been prepared for illustrative purposes, is prepared in accordance with IFRS, and is based on the unaudited financial statements of Laguna for the period ended June 30, 2015 and the unaudited financial statements of Grenadier for the period ended June 30, 2015.

The selected financial data presented below is derived from and should be read in conjunction with the *pro forma* statement in its entirety, which is set out in Schedule "C" to this Listing Statement.

Selected Financial Data	Laguna Pro Forma Consolidated as at and for the period ended June 30, 2015 (\$)
Cash and Cash Equivalents	1,303,422
Property Plant and Equipment	62,159
Accounts Payable	144,709
Deficit	(7,799,827)

7. Market for Securities

The Company's Common Shares are currently listed for trading on the CSE under the symbol "GAD".

8. Consolidated Capitalization

The following table summarizes the Company's consolidated capitalization as of the date of this Listing Statement:

Designation of Security	Number of Shares Authorized	Number of Shares Issued and Outstanding
Common Shares	Unlimited	16,854,932 ⁽¹⁾
Warrants	N/A	2,449,932 ⁽¹⁾
Incentive Stock Options	N/A	1,850,000 ⁽²⁾

⁽¹⁾ These figures do not include any securities that may be issued by the Company pursuant to the Secondary Offering.

⁽²⁾ The Company has agreed to extend the expiry date of 1,000,000 options from July 8, 2015 to January 8, 2016, subject to approval of the CSE.

Upon completion of the Share Exchange, it is anticipated that the issued and outstanding capital of the New Issuer will consist of the following:

Designation of Security	Number of Shares Authorized	Number of Shares Issued and Outstanding
Common Shares	Unlimited	44,514,932 ⁽¹⁾
Warrants	N/A	6,499,932 ⁽¹⁾
Incentive Stock Options	N/A	3,650,000 ⁽²⁾

⁽¹⁾ These figures do not include any securities that may be issued by the Company pursuant to the Secondary Offering.

⁽²⁾ The Company has agreed to extend the expiry date of 1,000,000 options from July 8, 2015 to January 8, 2016, subject to approval of the CSE.

9. Options to Purchase Securities

The Company has established a 10% rolling stock option plan (the “**Plan**”) under which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the Company’s issued and outstanding Common Shares at the time of the grant. The Plan provides that:

- The aggregate number of shares reserved for issuance to any one optionee, whether under the Plan or any other stock option plan, or as incentive stock options, cannot exceed, in any 12-month period, five percent (5%) of the number of issued and outstanding shares of the Company at the date the option is granted.
- The aggregate number of shares reserved for issuance to any one consultant, whether under the Plan or any other stock option plan, or as incentive stock options, cannot exceed, in any 12-month period, two percent (2%) of the number of issued and outstanding shares of the Company at the time the option is granted to said consultant under the Plan.
- The aggregate number of shares reserved for issuance to persons employed to provide investor relations activities, whether under the Plan or any other stock option plan, or as incentive stock options, cannot exceed, in any 12-month period, two percent (2%) of the number of issued and outstanding shares of the Company at the time of any grant of an option under the plan to a person employed to provide investor relations activities.

The option price per share which is the subject of any option granted is to be fixed by the Board of Directors of the Company at the time of granting the option. The option price for the shares cannot be less than the greater of \$0.10 per share and the market price of the shares, meaning the closing price of the shares on the CSE on the business day immediately preceding the day on which the option is granted, less any permitted discount under CSE policies.

The following table sets out the options granted to the following persons, without naming such persons, as of August 28, 2015 (which is a date not more than 30 days prior to the date of this Listing Statement):

Position of the Holder with the Company	Number of Options	Exercise Price (\$)	Expiry Date
Current and Past Executive Officers (2 persons)	75,000 500,000 75,000	\$0.20 \$0.20 \$0.47	June 10, 2019 June 10, 2019 August 5, 2019

Position of the Holder with the Company	Number of Options	Exercise Price (\$)	Expiry Date
Current Directors (1 person)	50,000 50,000	\$0.20 \$0.47	June 10, 2019 August 5, 2019
Employees	N/A	N/A	N/A
Consultants (3 persons)	1,000,000 50,000 50,000	\$0.155 \$0.20 \$0.20	July 8, 2015 ⁽¹⁾ June 10, 2019 August 5, 2019
TOTAL	1,850,000		

⁽¹⁾ The Company has agreed to extend the expiry date of 1,000,000 options from July 8, 2015 to January 8, 2016, subject to approval of the CSE.

10. Description of the Securities

10.1 – Description of the Company’s Securities

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date of this Listing Statement there are 16,854,932 Common Shares issued and outstanding as fully paid and non-assessable shares. A further 4,299,932 Common Shares have been reserved and allotted for issuance upon the due and proper exercise of the Company’s currently outstanding stock options and Warrants.

The holders of Common Shares are entitled to dividends if, as and when declared by the Board of Directors. The holders of the Common Shares are also entitled to one vote per Common Share at meetings of the shareholders and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Company.

10.7 – Prior Sales of Common Shares

The Company

On February 18, 2015, the Company completed the first tranche of a non-brokered private placement of 925,895 Units issued at a price of \$0.27 per Unit for gross proceeds of \$249,992. Each Unit consisted of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.50 until August 18, 2015.

On March 6, 2015, the Company completed the second tranche of a non-brokered private placement of 850,518 Units issued at a price of \$0.27 per Unit for gross proceeds of \$229,640. Each Unit consisted of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.50 until September 6, 2015.

On May 26, 2015, the Company completed the third tranche of a non-brokered private placement of 673,519 Units issued at a price of \$0.27 per Unit for gross proceeds of \$181,850. Each Unit consisted of one Common Share and one Warrant, with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.50 until November 26, 2015.

The terms of the above Warrants contain an acceleration provision, such that in the event the Company's Shares trade at a price of \$0.60 or more for 20 consecutive trading days (the "**Acceleration Event**") then the Expiry Date shall be accelerated and the Warrants will become exercisable within 10 business days of the Acceleration Event occurring.

Effective July 31, 2015, the Company amended the exercise period of the above Warrants from six months from the date of issuance to one year from the date of issuance. Warrants with expiry dates of August 18, 2015, September 6, 2015, and November 26, 2015, will now expire on February 18, 2016, March 6, 2016, and May 26, 2016, respectively.

Laguna

The prior sales of securities of Laguna for the past twelve (12) months are listed in the following table:

Date Issued	Number and Type of Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
December 20, 2014	3,639,250 Laguna Shares	\$0.02	\$72,785	Conversion of convertible debentures ⁽¹⁾
December 31, 2014	5,400,000 Laguna Shares ⁽²⁾	\$0.02	\$108,000	Pursuant to a Consulting Agreement with Stuart Gray
December 31, 2014	4,000,000 Laguna Warrants	N/A	N/A	Issued pursuant to a Consulting Agreement with Stuart Gray
December 31, 2014	13,960,750 Laguna Shares	\$0.02	\$279,215	Issued pursuant to consulting agreements with 11 consultants ⁽³⁾
January 23, 2015	1,800,000 Laguna Options	N/A	N/A	Issued pursuant to stock option agreements with consultants
January 30, 2015	3,000,000 Laguna Shares	\$0.035	\$105,000	Issued on conversion of convertible debentures ⁽⁴⁾
February 13, 2015	7,500,000 Laguna Shares	\$0.02	\$150,000	Cash
April 7, 2015	2,300,000 Laguna Shares	\$0.27	N/A	Finders' fee shares issued pursuant to the Exchange Agreement

Date Issued	Number and Type of Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
May 31, 2015	50,000 Laguna Warrants	N/A	N/A	Issued pursuant to a settlement agreement with a former consultant ⁽⁵⁾
July 28, 2015	1,400,000 Laguna Shares	\$0.05	\$66,525	Issued in settlement of a shareholder's loan advanced by a director and officer of Laguna ⁽⁶⁾

- (1) Three shareholders originally loaned a combined total of \$72,785 to the Company pursuant to a promissory notes dated September 1, 2014, each loan was subject to an interest rate of 10% per annum. On December 20, 2014, the shareholders and the Company agreed to cancel the promissory notes and issue convertible debentures in replacement thereof in the principal amount of \$72,785, pursuant to which the principal amount would be convertible into Laguna Shares at \$0.02 per Laguna Share. The debentures were not subject to interest. The debentures were converted into Laguna Shares on December 20, 2014.
- (2) On July 28, 2015, 1,400,000 of these shares were returned to treasury and cancelled.
- (3) Subsequently, five consultants returned a total of 7,500,000 Laguna Shares to treasury for cancellation without consideration. In addition, another consultant returned 640,000 Laguna Shares to treasury for cancellation pursuant to the terms of his settlement agreement with Laguna on termination of his consulting agreement. See “General Development of the Business – Laguna” above.
- (4) The shareholder of these Laguna Shares originally loaned an aggregate of \$105,000 to the Company pursuant to multiple promissory notes as follows: \$40,000 pursuant to a promissory note dated August 29, 2014, \$30,000 pursuant to a promissory note dated September 15, 2014, \$25,000 pursuant to a promissory note dated October 15, 2014, and \$10,000 pursuant to a promissory note dated November 21, 2014. These promissory notes were subject to interest at a rate of 10% per annum. On January 28, 2015, the shareholder and Laguna agreed to cancel the promissory notes and issue convertible debentures in replacement thereof in the principal amount of \$105,000 pursuant to which the principal amount would be convertible into Laguna Shares at \$0.035 per Laguna Share. The debenture was converted into Laguna Shares on January 30, 2015.
- (5) See “General Development of the Business – Laguna” above.
- (6) These shares were issued in settlement of a loan in the principal amount of \$65,000 and the interest thereon advanced by Stuart Gray at a deemed price of \$0.05 per share. See “General Development of the Business – Laguna” above.

10.8 – Stock Exchange Price

The Company's Common Shares have been listed and posted for trading on the CSE since July 8, 2014. A trading halt was implemented by the CSE on April 8, 2015 pending the CSE's review of this Listing Statement. The following table sets out the price ranges and trading volume on the CSE of the Company's Common Shares for the periods indicated:

Period	High (\$)	Low (\$)	Trading Volume
Period from August 1-31, 2015 ⁽¹⁾	N/A	N/A	Nil
Month ending July 31, 2015 ⁽¹⁾	N/A	N/A	Nil
Month ending June 30, 2015 ⁽¹⁾	N/A	N/A	Nil
Month ending May 31, 2015 ⁽¹⁾	N/A	N/A	Nil
Month ending April 30, 2015 ⁽¹⁾	\$0.35	\$0.30	32,000
Month ending March 31, 2015	\$0.45	\$0.30	64,300
Month ending February 28, 2015	\$0.52	\$0.31	230,500

Period	High (\$)	Low (\$)	Trading Volume
Month ending January 31, 2015	\$0.40	\$0.30	318,000
Month ending December 31, 2014	\$0.45	\$0.35	28,000
Month ending November 30, 2014	\$0.51	\$0.35	102,000
Month ending October 31, 2014	\$0.58	\$0.455	69,000
Month ending September 30, 2014	\$0.58	\$0.46	258,500
Month ending August 31, 2014	\$0.59	\$0.42	270,500
Listing date on July 8, 2014 to month ending July 2014	\$0.53	\$0.155	324,000

⁽¹⁾ The Company's common shares were halted for trading on April 9, 2015 in connection with the transaction between the Company and Laguna.

11. Escrowed Securities

11.1 – Escrowed Securities

The following table sets out the number and class of securities of the Company held in escrow, to the knowledge of the Company, and the percentage that number represents of the outstanding securities of that class as at August 15, 2015 (which is a date not more than 30 days prior to the date of this Listing Statement):

Designation of Class of Securities Held in Escrow	Number of Securities Held in Escrow	Percentage of Class
Common Shares of the Company	1,320,000	7.8%

The foregoing shares are held in escrow under an escrow agreement dated June 12, 2014.

As required under the policies of the CSE, principals of the New Issuer will enter into an escrow agreement as if the Company was subject to the requirements of National Policy 46-201 – Escrow for Initial Public Offerings (“NP 46-201”). The escrow agent will be Computershare Investor Services Inc. Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, subject to the following modifications required by the CSE: 10% of the principals' shares will be released on the date that is 12 months after completion of the Share Exchange, followed by six subsequent releases of 15% each every six months thereafter. The escrow agreement will also provide that if the New Issuer completes a reverse takeover transaction or change of business transaction within the four year period covered by the escrow agreement, then a portion of the principals' shares not yet released from escrow will be cancelled such that the deemed acquisition price paid by the principals for the remaining escrowed shares which are not cancelled equals \$0.27 per share. The form of the escrow agreement must be as provided in NP 46-201, subject to the aforementioned modifications. The table below includes the details of escrowed securities that will be held by current principals of the Company and by the new principals of the New Issuer and others upon the completion of the Share Exchange.

Name and Municipality of Residence of Security Holder	Prior to Giving Effect to the Share Exchange		After Giving Effect to the Share Exchange	
	Number of Securities Held	Percentage of Class of Shares ⁽¹⁾	Number of Securities Held	Percentage of Class of Shares ⁽²⁾
Stuart Gray Kelowna, BC	5,400,000 Laguna Shares	19.5%	5,400,000 Common Shares	12.1%
Martin Carleton Kelowna, BC	500,000 Laguna Shares	1.8%	500,000 Common Shares	1.1%
Kathy Gray Kelowna, BC	1,600,000 Laguna Shares	5.8%	1,600,000 Common Shares	3.6%
Total:		27.1%		16.8%

(1) Based on 27,660,000 Laguna Shares being outstanding prior to giving effect to the Share Exchange.

(2) Assuming 44,514,932 Common Shares are outstanding on a non-diluted basis on completion of the Share Exchange.

In addition, the Company and certain securityholders of Laguna will enter into a voluntary pooling agreement. The pooling agent will be Clark Wilson LLP. The total number of pooled shares will be 19,800,000, representing 44.5% of the Common Shares after giving effect to the Share Exchange. Releases from pooling will be scheduled as follows: the greater of 100% of the securityholder's shares or 1,200,000 shares will be released on completion of the Share Exchange, followed by four subsequent releases of 25% on the dates that are 18 months, 24 months, 30 months and 36 months after completion of the Share Exchange. Based on this release schedule, it is anticipated that 9,350,000 Common Shares (21.0% of the Common Shares after giving effect to the Share Exchange) will be released from pooling on completion of the Share Exchange, followed by four subsequent releases of 2,612,500 Common Shares (5.9% of the Common Shares after giving effect to the Share Exchange) on the dates that are 18 months, 24 months, 30 months and 36 months after completion of the Share Exchange.

Also, pursuant to the terms of a settlement agreement dated effective May 31, 2015 between Laguna and a former consultant, 360,000 Laguna Shares are subject to a voluntary escrow whereby 30,000 Laguna Shares are released from escrow each month for twelve months commencing June 1, 2015. The shares of the New Issuer exchanged for these shares will be subject to escrow on the same terms. The escrow agent is Clark Wilson LLP.

12. Principal Shareholders

12.1 and 12.2 - Principal Shareholders

To the knowledge of the directors and senior officers of the Company, upon completion of the Share Exchange, no person or company will beneficially own, directly or indirectly, or exercise control or direction over, shares of the New Issuer carrying more than 10% of the voting rights attached to all outstanding shares of the New Issuer, other than the following principal shareholder:

Name of Principal Shareholder	Upon Completion of the Share Exchange	
	Number and Class of Securities Beneficially Owned Directly or Indirectly	Percentage of Class Owned (Non-Diluted)
Stuart Gray	5,400,000 Common Shares	12.1% ⁽¹⁾

⁽¹⁾ Assuming 44,514,932 Common Shares are outstanding on a non-diluted basis on completion of the Share Exchange.

12.3 – Voting Trusts

To the knowledge of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or other similar agreement.

12.4 – Associates and Affiliates

To the knowledge of the Company, none of the principal shareholders is an Associate or Affiliate of any other principal shareholder.

13. Directors and Officers

13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The following table sets out the names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held in the Company and the principal occupation of the directors and senior officers during the past five years:

Name & Municipality of Residence and Position ⁽¹⁾	Present Occupation and Positions Held During the Last Five Years ⁽¹⁾	Period served as Director/ Officer and when his/her term with the Company will expire	Number of Common Shares of the Company Beneficially Held ⁽²⁾	Percentage of Issued and Outstanding Common Shares of the Company
Glenn Little ⁽³⁾ Langley, B.C. <i>CEO, CFO and Director</i>	CEO and CFO of the Company from Dec. 2014 – Present; Corporate Communications Manager of the Company from Oct. 2014 to Dec. 2014; - President, CEO and CFO of DraftTeam Fantasy Sports Inc. (CSE/OTCBB) from Nov. 2010 to March 2012; Corporate Communications and Development officer of Intelimax Media Inc. from Oct. 2006 to March 2012.	December 22, 2014 Until next AGM	31,500	0.1%

Name & Municipality of Residence and Position⁽¹⁾	Present Occupation and Positions Held During the Last Five Years⁽¹⁾	Period served as Director/ Officer and when his/her term with the Company will expire	Number of Common Shares of the Company Beneficially Held⁽²⁾	Percentage of Issued and Outstanding Common Shares of the Company
Jon Sherron ⁽³⁾ West Vancouver, B.C. <i>Director</i>	Vice President of EDI Inc., since 2009, a private investment company.	June 2, 2014 Until next AGM	Nil	N/A
Jacques Martel ⁽³⁾ West Vancouver, B.C. <i>Director</i>	Manager of Corporate Communications at Oracle Energy Corp. since 2006 (TSX-V:OEC).	June 2, 2014 Until next AGM	Nil	N/A
TOTAL			31,500	0.1%

(1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.

(2) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.

(3) Member of the Audit Committee.

Upon completion of the Share Exchange, it is anticipated that current directors Jacques Martel and Jon Sherron will resign and that the Board of Directors of the Company will consist of one current director, Glenn Little, and two directors to be appointed by the Board of Directors concurrently with closing the Share Exchange, Stuart Gray, the current President and a Director of Laguna and Martin Carleton, a director of Laguna and one independent director, Rhys Williams. It is further anticipated that Mr. Little will resign as President, CEO, and CFO and be replaced by Mr. Gray, as President, CEO and CFO, and Negar Adam as Corporate Secretary.

Following completion of the Share Exchange, the names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, and the offices held in the Company and the principal occupation of the directors and senior officers during the past five years is expected to be as follows:

Name & Municipality of Residence and Position⁽¹⁾	Present Occupation and Positions Held During the Last Five Years⁽¹⁾	Period served as Director/ Officer and when his/her term with the Company will expire	Number of Common Shares of the Company Beneficially Held⁽²⁾	Percentage of Issued and Outstanding Common Shares of the Company
Stuart Gray Kelowna, B.C. <i>President and Director</i>	President of Laguna since 2014; public company consultant since 2006; Founded NewTrends Film and Video Productions (“ NewTrends ”) in 1996; owner and President of NewTrends from 1996 to 2006.	From Closing until next AGM ⁽³⁾	5,400,000 Common Shares	12.1%

Name & Municipality of Residence and Position ⁽¹⁾	Present Occupation and Positions Held During the Last Five Years ⁽¹⁾	Period served as Director/ Officer and when his/her term with the Company will expire	Number of Common Shares of the Company Beneficially Held ⁽²⁾	Percentage of Issued and Outstanding Common Shares of the Company
Martin Carleton Kelowna, B.C. <i>Director</i>	Director of Sheslay Mining Inc. from September 2014 to June 2015.	From Closing until next AGM ⁽³⁾	500,000 Common Shares	1.1%
Glenn Little Langley, B.C. <i>Director</i>	CEO and CFO of the Company from Dec. 2014 to close of the Share Exchange; Corporate Communications Manager of the Company from Oct. 2014 to Dec. 2014; President, CEO and CFO of DraftTeam Fantasy Sports Inc. (CSE/OTCBB) from Nov. 2010 to March 2012; Corporate Communications and Development officer of Intelimax Media Inc. from Oct. 2006 to March 2012.	December 22, 2014 until next AGM	31,500 Common Shares	0.1%
Rhys Williams Clearwater, B.C. <i>Director</i>	Owner and President of Wells Gray Automotive, a private company, since June 2011; Owner and CEO of North Thompson Reliable Traffic Control, a private company, from December 2008 to June 2014.	From Closing until next AGM	Nil	N/A
Negar Adam Vancouver, B.C. <i>Corporate Secretary</i>	President of All Seasons Consulting Ltd. since 1999, a private company which provides consulting services to public companies.	From Closing at the pleasure of the board of directors of the New Issuer	Nil	Nil
TOTAL			5,931,500	13.3%

(1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.

(2) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors and officers individually.

(3) These individuals have served as directors of Laguna since June 24, 2014 (Stuart Gray) and February 25, 2015 (Martin Carleton).

Upon completion of the Share Exchange, Glenn Little, Martin Carleton and Rhys Williams are expected to comprise the Audit Committee.

13.4 – Board Committees of the Company

Audit Committee

The overall purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor. The Company has adopted a Charter of the Audit Committee of the Board of Directors.

The current members of the Audit Committee are Glenn Little, Jon Sherron and Jacques Martel. Two members, Jon Sherron and Jacques Martel, are independent directors in accordance with National Instrument 52-110 – Audit Committees (“NI 52-110”). In light of his position as CEO and CFO of the Company, Mr. Little is not independent. All members are “financially literate” within the meaning of Section 1.6 of NI 52-110 as a result of their prior financial experience in a management capacity, as directors, or as members of audit committees of public companies.

The proposed members of the Audit Committee assuming completion of the acquisition of Laguna will be Rhys Williams, Glenn Little and Martin Carleton. Mr. Little will not be considered an independent director in accordance with NI 52-110 as he was an executive officer of the Company within the past three years. All members would be “financially literate” within the meaning of Section 1.6 of NI 52-110 as a result of their prior financial experience in a management capacity or as members of audit committees of public companies.

13.6 – Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Listing Statement, or has been, within ten years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any Company, including the Company, that:
 - i. was subject to a cease trade order or similar order or an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii. was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer of the Company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is as at the date of this Listing Statement or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any Company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency 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; or

- (c) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

None of the proposed directors or any of their personal holding companies has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

13.7, 13.8 – Penalties or Sanctions

No proposed director, officer, or promoter of the Company, or any shareholder anticipated to hold a sufficient amount of securities of the Company to materially affect control of the Company, has 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

Other than as stated below, no proposed director, officer or promoter of the Company, or a shareholder anticipated to hold a sufficient amount of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing 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 individual.

- Mr. Little filed a Division II Consumer Proposal on December 17, 2013 and a Trustee was appointed. On January 1, 2014, the court and creditors accepted the proposal.

13.10 – Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under BCBCA.

13.11 – Management

Current Management

Glenn Little, Age 60 (Current CEO, CFO and Director)

Mr. Little brings extensive business, corporate development and public company experience. He has been Chief Executive Officer, Chief Financial Officer and Director of the Company since December 2014 and previously provided Corporate Development services for the Company from September 2014. Mr. Little was founder and previously served as CEO, CFO and Manager of Corporate Development for CSE-listed Intelimax Media Inc. (now DraftTeam Fantasy Sports Inc. - CSE: DFS) until 2012. From 1999 to 2005, Mr. Little was Director and provided Corporate Development services for Stream Communications Network & Media Inc. (formerly Trooper Technologies Inc., or “Trooper”), a cable television service provide which raised approximately US \$20 million in debt and equity financing. Mr. Little was founder and director, and from 1993 to 1999 served as Vice President of Trooper, a TSX Venture Exchange listed company operating in the environmental waste management sector.

Mr. Little will devote the time necessary to perform the work required in connection with acting as the CEO, CFO and as a Director of the Company and has not entered into a non-competition agreement with the Company. Upon completion of the Share Exchange, it is anticipated that Stuart Gray will replace Mr. Little as CEO and CFO of the Company, and that Mr. Little will continue as a director of the Company.

Jacques Martel, Age 35 (Director)

Mr. Martel has worked in corporate communications for the previous 8 years. Since March 2006, he has served as Manager of Corporate Communications at Oracle Energy Corp., where he oversees communications with shareholders and the development of investor relations strategies. Oracle Energy is a Canadian oil and gas company focused on growth and shareholder value creation through exploration, development, and production in Africa. Mr. Martel is currently a director and member of the Audit Committee of My Marijuana Canada Inc., an emerging producer and distributor of medical marijuana, and a former director of Enfield Exploration Corp., a CSE listed company engaged in the acquisition, exploration and development of mineral and oil and gas resources.

Jon Sherron, Age 45 (Director)

Mr. Sherron brings more than 20 years of senior management experience in various industries including investments, beverages and real estate. Since 2009, Mr. Sherron has acted as Vice President of EDI Inc., an investment company established by him, which has a portfolio of funds focused on the commercial real estate industry. His experience in sales, marketing and branding has driven profitable growth for internationally recognizable brands including SABMiller, MolsonCoors, Constellation and Diageo. Prior to establishing EDI Inc., Mr. Sherron held management roles at the Gallo Winery and Coors Brewing Company. He was Vice President of a leading beverage distributor and sat on the board of directors of the Montana Beer and Wine Wholesalers Association. Mr. Sherron holds a Bachelor of Science degree from Montana State University.

Mr. Sherron is not a party to any employment, non-competition or confidentiality agreement with the Company.

Proposed Management on Completion of Share Exchange

Stuart Gray, Age 43 (Proposed President, CEO, CFO and Director)

Mr. Gray's responsibilities with Laguna consist of managing the day to day operations of Laguna, being responsible for business development, management and financial reporting, and such other responsibilities typically ascribed to a President, CEO and CFO. Mr. Gray is an independent contractor of Laguna and expects to devote 100% of his time to Laguna and the New Issuer.

Mr. Gray was introduced to business and sales through network marketing at 19 years of age. He started his training in NSA (National Safety Associates) and then joined Quorum International, an Arizona-based direct marketing consumer electronics company, where he achieved Silver Executive status within 18 months. Stuart built a team of leaders in several countries and had one of the largest volume groups in the company for the Silver Executive level. Mr. Gray went on to educate himself in business and marketing. Mr. Gray first attended the Okanagan College for business and marketing and then trained at the Vancouver Film School where he graduated as a Producer/Director in 1995. He founded NewTrends Film and Video Productions ("NewTrends") in 1996 and served as President of NewTrends from 1996 to 2006. During his tenure, NewTrends was recognized for profitability, innovation and technology and won several awards in these categories. Mr. Gray has in excess of 18 years of experience in business and marketing. As a Producer and Director by background, Stuart has founded several media- and promotional- related companies and has provided consulting to over 120 public and private companies in the U.S. and Canada. Mr. Gray has assisted in taking several companies public through reverse takeovers and assisting in fundraising.

Upon completion of the Share Exchange, it is anticipated that Mr. Gray will devote the time necessary to perform the work required in connection with acting as the President, the CEO and the CFO and as a Director of the New Issuer. He has not entered into a non-competition agreement with the Company or Laguna.

Glenn Little, Age 60 (Proposed Director)

Mr. Little brings extensive business, corporate development and public company experience. He has been Chief Executive Officer, Chief Financial Officer and Director of the Company since December 2014 and previously provided Corporate Development services for the Company. Mr. Little was founder and previously served as CEO, CFO and Manager of Corporate Development for CSE-listed Intelimax Media Inc. (now DraftTeam Fantasy Sports Inc. - CSE:DFS) until 2012. From 1999 to 2005, Mr. Little was Director and provided Corporate Development services for Stream Communications Network & Media Inc. (formerly Trooper Technologies Inc., or "Trooper"), a cable television service provide which raised approximately US \$20 million in debt and equity financing. Mr. Little was founder and director, and, from 1993 to 1999, served as Vice President of Trooper, a TSX Venture Exchange listed company operating in the environmental waste management sector.

Upon completion of the Share Exchange, it is anticipated that Mr. Little will provide his services as Director and member of the Audit Committee of the New Issuer on a part time basis. He has not entered into a non-competition agreement with the Company or Laguna.

Martin Carleton, Age 35 (Proposed Director)

Mr. Carleton's responsibilities with Laguna consist of acting as member of the board of directors of Laguna and participating in the governance of the company. Mr. Carleton is also an independent

contractor of Laguna and expects to devote such time to Laguna as is necessary to fulfill his responsibilities to Laguna.

Mr. Carleton has 8 years of experience in the Internet Technology sector where he has worked both as a web developer and project manager. Most notably, Martin has led a team of developers in creating a prize winning metering system for Skype that garnered the “Skype API Developer Award” in 2005 and in 2006 as part of his San Francisco based internet start-up. Since then Martin has undertaken numerous projects developing commercial websites as a developer and more recently overseeing the construction of an internet/TV fiber optic network intended to serve an 800-room temporary logging facility in the Oil fields of North Dakota. Originally from Ottawa, Canada, Martin obtained his B. Eng in Communications Engineering from Carleton University.

Upon completion of the Share Exchange, it is anticipated that Mr. Carleton will provide his services as Director and member of the Audit Committee of the New Issuer and consultant on a part time basis. He has not entered into a non-competition agreement with the Company or Laguna.

Negar Adam, Age 42 (Proposed Corporate Secretary)

Ms. Adam’s responsibilities with Laguna consist of serving as the Corporate Secretary of Laguna. Ms. Adam is an independent contractor of Laguna and expects to devote such time to Laguna as is necessary to fulfill her responsibilities to Laguna.

Ms. Adam has been the President of All Seasons Consulting Ltd., a private company which provides consulting services to public companies, since February 1999. Ms. Adam has also served as a Director and Officer of several Canadian public companies. Ms. Adam earned a Bachelor of Commerce degree from the University of British Columbia.

Upon completion of the Share Exchange, it is anticipated that Ms. Adam will provide her services as Corporate Secretary of the New Issuer on a part-time basis. She has not entered into a non-competition agreement with the Company or Laguna.

Rhys Williams, Age 42 (Proposed Director)

Mr. Williams is proposed to be a member of the board of directors of the New Issuer and will participate in the governance of the New Issuer. Mr. Williams will also be an independent contractor of the New Issuer and expects to devote such time to the New Issuer as is necessary to fulfill his responsibilities to the New Issuer.

Mr. Williams has been involved in the business of manufacturing since 1993, when he served as a Final Quality Inspector for Western Star Trucks. In 2002, while attending University College of the Fraser Valley, Mr. Williams co-founded BC Northern Lights Ltd., a private indoor greenhouse appliance company that has received recognition and rewards for its innovative product line. Mr. Williams was also involved in the early development of the Urban Cultivator product which was featured on CBC’s Dragons’ Den in 2011. The Urban Cultivator is an award winning kitchen appliance that grows fresh herbs and is distributed worldwide.

Upon completion of the Share Exchange, it is anticipated that Mr. Williams will provide his services as Director and member of the Audit Committee of the New Issuer and consultant on a part time basis. He has not entered into a non-competition agreement with the Company or Laguna.

14. Capitalization

14.1 - Issued Capital

Upon completion of the Share Exchange, not including any securities issuable under the Secondary Offering, the share capital of the Company on a non-diluted and fully-diluted basis will be as follows:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% (non-diluted)	% (fully diluted)
<u>Public Float</u>				
Total Outstanding (A)	44,514,932	54,664,864	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	21,620,018	26,770,018	48.6%	49.0%
Total Public Float (A-B)	22,894,914	27,894,846	51.4%	51.0%
<u>Freely Tradable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	19,510,000	19,510,000	43.8%	35.7%
Total Tradable Float (A-C)	25,004,932	35,154,864	56.2%	64.3%

*Figures are reported to the best of the knowledge of management of the Company.

Public Securityholders (Registered)

For the purposes of this table, “public securityholders” does not include persons enumerated in section (B) the *Issued Capital* table above:

Common Shares

<u>Size of Holdings</u>	<u>Number of Holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	102	12,406,631
TOTAL	102	12,406,631

Public Securityholders (Beneficial)

For the purposes of this table, “public securityholders” does not include persons enumerated in section (B) the *Issued Capital* table above:

Common Shares

<u>Size of Holdings</u>	<u>Number of Holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities	1	500
1,000 – 1,999 securities	2	2,500
2,000 – 2,999 securities	5	10,964
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities		
5,000 or more securities	87	6,283,685
TOTAL	97	6,303,649

*Information determined to the best of the Company’s knowledge from information provided by its registrar and transfer agent and from previously obtained information from Broadridge.

Non-Public Securityholders (Registered and Beneficial)

For the purposes of this chart, “non-public securityholders” are persons enumerated under (B) in the *Issued Capital* table above.

Common Shares

<u>Size of Holdings</u>	<u>Number of Holders</u>	<u>Total number of securities</u>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	8	21,620,018
TOTAL	8	21,620,018

14.2 – Convertible / Exchangeable Securities

The following table sets out information regarding any securities convertible or exchangeable into any class of listed securities, upon completion of the Share Exchange:

Description of Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion / Exercise
Stock Options ⁽¹⁾	3,650,000	3,650,000
Warrants	6,499,932	6,499,932

⁽¹⁾ The Company has agreed to extend the expiry date of 1,000,000 options from July 8, 2015 to January 8, 2016, subject to approval of the CSE.

14.3 – Other Listed Securities

The Company has no other listed securities reserved for issuance that are not included in section 14.1 or 14.2.

15. Executive Compensation

15.1 – Compensation of Executive Officers and Directors

General

For the purpose of this Listing Statement:

“CEO” means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“CFO” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The overall objective of the Company’s compensation strategy is to offer short, medium and long-term compensation components to attract, retain and develop management of the highest caliber and also put in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the Chief Executive Officer, if any, in this regard. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company intends to rely on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

At present the Board does not have a Compensation Committee or a Nominating Committee. As such, all tasks related to developing and monitoring the Company's approach with respect to the compensation of officers of the Company and to developing and monitoring the Company's approach to the nomination of directors to the Board were performed by the members of the Board in 2014 and 2015. The compensation of the NEOs and the Company's employees is reviewed, recommended and approved by the Board as a whole, including the independent directors, who approved such compensation. The Company may form a Compensation Committee which will oversee compensation matters and may also form a Nomination Committee to oversee the nomination of directors.

Other than as set forth below, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or
- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

The Board of Directors intends to review the compensation of its directors and officers following completion of the acquisition of Laguna pursuant to the Share Exchange.

Executive Compensation Program

It is anticipated that the Company's executive compensation program will be comprised of two primary elements; a base fee or salary or consulting fee for certain persons, which constitutes short-term compensation, and long-term incentive compensation comprised of the grant of stock options. The Board plans to review both components in assessing the compensation of individual executive officers.

Base fees or salaries are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive within the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers.

Stock options will be an important part of the Company's long-term incentive strategy for its officers and directors, permitting them to participate in any appreciation of the market value of the shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock option grants reward overall corporate performance, as measured through the price of the shares and enable executives to acquire and maintain a significant ownership position in the Company. See "*Share-Based and Option-Based Awards*" below.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company's directors or officers.

Given the Company's current stage of development, the Company has not formally considered the implications of the risks associated with the Company's compensation practices.

The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market

value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option-Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's 2014 Stock Option Plan (the "**Option Plan**"). Individual stock options are granted by the Board as a whole and the amounts of the option grants are dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer or employee first joins the Company, based on their level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with their level of ongoing responsibility within the Company. The Board also evaluates the number of options an individual has been granted, the exercise price of the options and the term remaining on those options when considering further grants. The minimum exercise price of stock options is the greater of \$0.10 per share and the closing price of the Company's shares on the CSE on the business day immediately preceding the date of grant, less any applicable discount permitted by the CSE. The maximum term of options pursuant to the Option Plan is five years from the date of grant.

Pursuant to the regulations of the CSE, stock options may be granted outside of the Option Plan.

As at the date of this listing statement, the Company has 1,850,000 stock options outstanding.

Stock Option Plan

The purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs. The Company has no equity incentive plans other than the Option Plan at this time. The size of stock option grants to NEOs is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

The following information is intended as a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan, a copy of which is available under the Company's profile at www.sedar.com or on request to the Company.

The Option Plan is a "rolling" stock option plan, whereby the maximum number of shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued shares of the Company, unless authorized by the shareholders of the Company.

The exercise price of the shares covered by each option shall be determined by the Board. The exercise price shall not be less than the greater of \$0.10 and the market price of the Company's stock on the trading day preceding the date of grant less the applicable discount permitted by the CSE, subject to the policies of any stock exchange on which the shares are then listed or other regulatory body having jurisdiction.

If any options are granted within 90 days of a public distribution by prospectus, then the minimum exercise price will be the greater of that specified in 1. above and the price per share paid by the investors

for shares acquired under the public distribution. The 90-day period will commence on the date the Company is issued a final receipt for the prospectus.

Additional features of the Option Plan are listed below.

- a) Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of shares in respect of the expired or terminated option shall again be available for an option grant under the Option Plan.
- b) The option period shall be a period of time fixed by the Board, not to exceed the maximum period permitted by any stock exchange on which the shares are then listed or other regulatory body having jurisdiction, which maximum period is presently 5 years from the date the option is granted.
- c) Options granted to any one individual in any 12-month period may not exceed more than 5% of the issued shares of the Company, unless the Company has obtained disinterested shareholder approval.
- d) Options granted to any one consultant in any 12-month period may not exceed more than 2% of the issued Shares of the Company, determined at the time of such grant.
- e) Options granted to all persons, in aggregate, conducting investor relations activities in any 12-month period may not exceed more than 2% of the issued Shares of the Company, determined at the time of such grant.
- f) If an option holder ceases to be a director, officer, employee or consultant, as the case may be, of the Company for any reason (other than death), he or she may, but only within 90 days next succeeding his ceasing to be a director, officer, employee or consultant, exercise his or her options to the extent that the individual was entitled to exercise them at the date of such cessation provided that, in the case of an option holder who is engaged in investor relations activities on behalf of the Company, this 90-day period will be shortened to 30 days.
- g) If an option holder dies, the option holder's lawful personal representatives, heirs or executors may exercise any option granted to the option holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the option holder.
- h) The Option Plan will be administered by the Board or, if appointed, by a special committee of the Board appointed from time to time by the Board.
- i) Options granted under the Option Plan shall not be assignable or transferable by an option holder.
- j) The Board may from time to time, subject to regulatory or Shareholder approval, if required under the policies of any stock exchange on which the shares are then listed, amend or revise the terms of the Option Plan.
- k) The Option Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

Compensation Governance

The Company relies on the board of directors to determine the executive compensation that is to be paid to the executive officers. The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than as disclosed above. Given the

Company's current stage of development, the Company has not established a Compensation Committee.

Summary Compensation Table

The Company was incorporated on June 2, 2014 and its fiscal year end is March 31st, 2015. The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company for services in all capacities to the Company for the period from inception to the year ended March 31, 2015:

Name and Title	Year	Fees & Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾⁽⁸⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾ (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Glenn Little ⁽⁷⁾⁽⁹⁾ CEO, CFO & Director	2014-2015	17,500	N/A	Nil	Nil	Nil	Nil	Nil	17,500
Karl Antonius Former CEO & Director ⁽⁴⁾	2014	Nil	N/A	57,374	Nil	Nil	Nil	Nil	57,374
Dillon Johnson Former CEO & Director ⁽⁵⁾	2014-2015	5,250	N/A	Nil	Nil	Nil	Nil	Nil	5,250
Justin Blanchet ⁽⁶⁾ Former CFO	2014-2015	10,500	N/A	26,136	Nil	Nil	Nil	Nil	36,636

- (1) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
- (4) On June 26, 2014, Karl Antonius received 500,000 fully vested options to purchase shares at an exercise price of \$0.20 per share until June 10, 2019. Mr. Antonius was appointed CEO on June 2, 2014 and resigned on November 14, 2014.
- (5) Mr. Johnson was appointed on November 14, 2014 and resigned on December 22, 2014.
- (6) On June 26, 2014, Justin Blanchet received 75,000 fully vested options to purchase shares at an exercise price of \$0.20 per share and with an expiry date of June 10, 2019. On August 5, 2014, he received 75,000 fully vested options to purchase shares at an exercise price of \$0.47 until August 5, 2019. Mr. Blanchet was appointed CFO on May 22, 2014 and resigned on November 14, 2014.
- (7) Mr. Little was appointed CEO and CFO on December 22, 2014. Mr. Little received \$15,000 for his role as Corporate Communications Manager during 2014, and \$2,500 for his role as CEO during the period December 22-December 31, 2014.
- (8) The fair value of stock options granted, as disclosed in the table above, is based on the assumption that the options were exercisable on the date of grant. The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value, and relied on the following the key assumptions and estimates for each calculation: under the following assumptions: (i) risk free interest rate of 1.24%; (ii) expected dividend yield of Nil%; (iii) expected annualized volatility of 100%; and (iv) an expected term of 4.5 years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (9) Compensation paid by the Company in connection with the services of Mr. Little is paid to Brandenburg Financial Corp., a corporation which provides executive management services.

Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan. The Company’s current incentive plan is its Option Plan

Outstanding Share-Based Awards and Option-Based Awards

For a summary of the material provisions of the Option Plan pursuant to which all current option-based awards have been granted to NEOs, please see the description under the heading “Stock Option Plan”.

The following table sets forth all option-based awards granted to NEOs that were outstanding as of March 31, 2015, including awards granted before the financial year-end. The Company has not granted any Share-based awards.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Karl Antonius ⁽²⁾	500,000	0.20	June 10, 2019	70,000
Justin Blanchet ⁽³⁾	75,000	0.20	June 10, 2019	10,500
	75,000	0.47	August 8, 2019	Nil

⁽¹⁾ This amount represents the difference between the exercise price of the options and the market value of the securities underlying the options, which was \$0.34 on March 31, 2015, the most recently completed financial year.

⁽²⁾ Mr. Antonius resigned as CEO on November 14, 2014 and is currently a consultant to the Company.

⁽³⁾ Mr. Blanchet resigned as CFO on November 14, 2014 and is currently a consultant to the Company.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned by NEOs for all incentive plan awards during the year ended March 31, 2015:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Karl Antonius	Nil	N/A	N/A
Justin Blanchet	Nil	N/A	N/A

⁽¹⁾ All options were fully vested on the date of grant. This amount represents the difference between the exercise prices of the options and the market value of the securities underlying the options on the date of grant. On July 8, 2014, the market price of the Company’s shares was \$0.155 and on August 5, 2014, the market price was \$0.47.

Pension Plan Benefits

The Company does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

Termination and Change of Control Benefits

The Company does not currently have any contract, agreement, plan or arrangement that provides for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement of such NEO, or a change of control of the Company or a change in the NEO's responsibilities.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the details of compensation provided to the directors of the Company, other than the NEOs, during the period from incorporation until March 31, 2015:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jon Sherron	3,000	N/A	32,032	N/A	N/A	Nil	35,032
Jacques Martel	3,000	N/A	N/A	N/A	N/A	Nil	3,000

⁽¹⁾ The fair value of stock options granted, as disclosed in the table above, is based on the assumption that the options were exercisable on the date of grant. The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value, and relied on the following the key assumptions and estimates for each calculation: under the following assumptions: (i) risk free interest rate of 1.24%; (ii) expected dividend yield of Nil%; (iii) expected annualized volatility of 100%; and (iv) an expected term of 4.5 years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

Narrative Discussion

No director of the Company who is not an NEO received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Incentive Plan Awards for Directors

Outstanding Share-Based Awards and Option-Based Awards for Directors

The following table sets forth all option-based awards granted to the Company's directors, other than the NEOs, that were outstanding as of March 31, 2015, including awards granted before the period ended March 31, 2015. The Company has not granted any share-based awards:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Jon Sherron	50,000	0.20	June 10, 2019	7,000
	50,000	0.47	August 5, 2019	Nil
Jacques Martel	Nil	N/A	N/A	N/A

⁽¹⁾ All options were fully vested on the date of grant. This amount represents the difference between the exercise price of the options and the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.34 on March 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the period from incorporation to March 31, 2015, for each director who was not an NEO. Option-based awards and share-based awards to NEOs who are also directors are fully disclosed elsewhere in this listing statement:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jon Sherron	Nil	N/A	N/A
Jacques Martel	Nil	N/A	N/A

⁽¹⁾ All options were fully vested on the date of grant. This amount represents the difference between the exercise prices of the options and the market value of the securities underlying the options on the date of grant. On July 8, 2014, the market price of the Company's shares was \$0.155 and on August 5, 2014, the market price was \$0.47.

16. Indebtedness of Directors and Executive Officers

No director or officer of the Company, or person who acted in such capacity in the last financial year, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

17. Risk Factors

17.1 Description of Risk Factors

The Common Shares should be considered highly speculative due to the nature of the Company's proposed business and the present stage of its development. In evaluating the Company and its new business, investors should carefully consider the following risk factors, in addition to the other information contained in this Listing Statement. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

A description of the risk factors associated with the Company's previous business related to its Mining Assets is included in the Company's Initial Listing Statement.

The Company's actual operating results may be very different from those expected as at the date of this Listing Statement.

Specific Risks Related to the Share Exchange

No Assurance that Share Exchange will be Completed

Completion of the acquisition of Laguna pursuant to the Exchange Agreement remains subject to a number of conditions, including, but not limited to, receipt of the requisite approvals from the shareholders of the Company, satisfaction of standard closing conditions for transactions of this nature, and CSE Approval. There can be no assurance that the Share Exchange will be completed as proposed or at all. Once the requisite approvals have been obtained and closing conditions satisfied, this risk factor will no longer apply.

No Assurance of Capital

There can be no guarantee that the Company will raise sufficient capital pursuant to the Offering in order to allow it to meet the minimum listing requirements of the CSE.

No Assurance of CSE Approval

As of the date of this Circular, the CSE has not provided conditional acceptance of the Share Exchange. There can be no assurance that the Company will be able to satisfy the requirements of the CSE such that the CSE will approve the Share Exchange. In the event that the requisite shareholder approval for the Share Exchange is not obtained, the Company will not be in compliance with CSE Policies, which may disqualify it from receiving CSE Approval. Even if shareholder approval is obtained for the Share Exchange, there is no guarantee the Company will be able to obtain CSE Approval of the Share Exchange. In either such scenario, the Share Exchange may not be completed. Once the requisite approvals have been obtained and closing conditions satisfied, this risk factor will no longer apply.

Impact on Share Price and Future Business Operations

If the Share Exchange is not completed, there may be a negative impact on the market price of the Common Shares, or the Company's future business and operations to the extent that the current trading price of the Common Shares reflects an assumption that the Share Exchange will be completed. The price of the Common Shares may decline if the Share Exchange is not completed.

In addition, there can be no assurance that completion of the Share Exchange will have a positive impact on the market price of the Common Shares, or the Company's future business and operations.

Costs to Complete the Share Exchange

There are certain costs related to the Share Exchange, such as legal and accounting fees and certain additional fees incurred, that must be paid even if the Share Exchange is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of the Company's business in the ordinary course.

General

The completion of the Share Exchange is subject to a number of conditions precedent, some of which are outside of the control of the parties thereto, including the ability to complete the Offering, the receipt of approval of the Company Shareholders and the receipt of CSE Approval. There can be no certainty, nor can the parties provide any assurance, that these conditions will be satisfied or waived or, if satisfied or waived, when they will be satisfied or waived. If the Share Exchange is not completed, the market price of the Common Shares may be adversely affected.

Termination of the Share Exchange Agreement

The Company and Laguna have the right to terminate the Exchange Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance that the Exchange Agreement will not be terminated by the parties before the completion of the Share Exchange and the resulting acquisition by the Company of Laguna.

Limited Historical Data on Which to Assess the Performance of Laguna for the Purposes of Evaluating the Share Exchange

The Company was incorporated on June 2, 2014 and is proposed to complete the Share Exchange and change its business to the Business of Laguna. Laguna has a limited operating history from which investors can evaluate its business and prospects. Laguna was incorporated on June 24, 2014 and plans to launch its business in Fall 2015. The Company's prospects provided that it proceeds with the Share Exchange must be considered in light of the risks and uncertainties encountered by an early stage company, and in a highly competitive market such as network marketing and the consumer beverage and nutritional supplement industries. Some of these risks relate to the Company's potential inability to: effectively manage its intended new business and operations; recruit and retain key personnel; successfully maintain a low-cost structure as it expands the scale of its business; manage rapid growth in personnel and operations; expand its market share for its existing products; develop new products that complement its existing business; and successfully address the other risks it faces, as described herein. If the Company completes the Share Exchange and cannot successfully address these risks, its new business, future results of operations and financial condition may be materially adversely affected.

Pro Forma Financial Statements

The unaudited pro forma financial statements for the Company and Laguna giving effect to the Share Exchange as if it had been completed as of June 30, 2015 as set out in Schedule "C" to this Listing Statement are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of either the Company or Laguna following the Share Exchange for several reasons. For example, the unaudited pro forma financial statements have been derived from the respective historical financial statements of the Company and Laguna, which are

limited for each company, and certain adjustments and assumptions made as of the dates indicated therein and which have been made to give effect to the Share Exchange and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. See “*Cautionary Note Regarding Forward-Looking Statements*”.

Risk Factors Related to the Company’s Common Shares

High Risk and Speculative Nature of Investment

An investment in the Common Shares of the Company and provided the Exchange Agreement closes, the New Issuer, carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company and Laguna have no history of earnings, limited cash reserves, a limited operating history, and are dependent on equity financing to fund planned operations. The Company and Laguna have not paid dividends in the past, and the New Issuer is unlikely to pay dividends in the immediate or near future. Laguna is and the New Issuer on completion of the Share Exchange will be in the development and planning phase of its business and has not started commercialization of its products. Laguna's operations are not yet sufficiently established such that it can mitigate the risks associated with its planned activities. You may be at risk of losing any investment in the shares of the Company or the New Issuer on completion of the Share Exchange.

Volatility of Stock Price and Market Conditions

The market price of the Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company should not constitute a major portion of an investor’s portfolio.

Significant Ownership Interest of Management and Directors

As of the date of this Listing Statement, Laguna's officers and directors will own approximately 20% of the outstanding common shares of the New Issuer on a fully diluted basis assuming completion of the Share Exchange. They will as a group hold a controlling interest in our common stock. See Item 13.1 for further details. As a result, these individuals, jointly, could exercise substantial control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership limits the power to exercise control by minority shareholders.

Risk Factors Associated with the Network Marketing and Nutritional Beverage Business of Laguna

No Operating History in the Network Marketing Industry

The Company does not have prior experience in the network marketing or the consumer beverage industries. As such, upon completion of the Share Exchange, the Company will be subject to all of the

business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management or the Board of Directors does not guarantee future success.

Key Personnel

Assuming completion of the Share Exchange, the future success of Laguna will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel, as well as consultants to form part of its direct selling system. Laguna may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and operational personnel as well as consultants, could make it difficult for Laguna to manage its business and meet its objectives.

Legal Challenges to the Direct Selling Program

Laguna anticipates there will be risks associated with the multi-level marketing program that Laguna utilizes. Multi-level marketing programs, also known as direct selling programs, are subject to a number of regulations administered in Canada and in other foreign markets, including the United States. The business of Laguna is subject to the risk that, in one or more markets, its direct selling program could be found not to be in compliance with applicable laws or regulations. Regulations applicable to direct selling organizations generally are directed at preventing fraudulent or deceptive schemes, often referred to as “pyramid” or “chain sales” schemes, by ensuring that product sales ultimately are made to consumers and that advancement within an organization is based on sales of the organization’s products rather than investments in the organization or other non-retail sales-related criteria. The ambiguity surrounding these laws can also affect the public perception of companies with direct selling businesses. Assuming completion of the Share Exchange, the failure of the Laguna direct selling program to comply with current or newly adopted regulations could negatively impact the Company’s business in a particular market or in general and could adversely affect the share price of the Common Shares.

Additionally, the failure of other direct selling companies and any associated negative publicity could adversely impact the perception of the Laguna business or the direct selling industry in general, could also adversely impact the Company’s share price.

Relationship with and Ability to Influence Consultants

Laguna depends upon consultants for a significant portion of its sales. Assuming completion of the Share Exchange, the Company will need to increase the number and productivity of its consultants going forward in order to generate revenues. Therefore, the business of the Company will depend in significant part upon the ability of Laguna to attract, retain and motivate a large base of consultants. The loss of a significant number of them for any reason could negatively impact sales of Laguna products and could impair the company’s ability to attract new consultants going forward. Laguna will have to compete with other network marketing and direct selling organizations to attract and retain consultants.

Laguna will need to generate sufficient interest in its product offerings and the associated business opportunities for consultants in order to retain existing consultants and attract new consultants.

The turnover rate of consultants, and in turn Laguna’s operating results, and the Company’s operating results assuming completion of the Share Exchange, could be adversely impacted if Laguna and its senior distributor leadership, do not provide the necessary mentoring, training and business support tools to Laguna consultants for them to become successful. Furthermore, consultants may voluntarily terminate

their business relationship with the company at any time. The loss of a group of leading sales leaders, together with their down-line sales organizations, or the loss of a significant number of consultants for any reason, could negatively impact product sales, impair Laguna's ability to attract new consultants and harm the company's financial condition and operating results.

As sales of Laguna products are made through a direct selling system that will be comprised of a significant number of consultants in order to sell sufficient volume of products, Laguna and in turn the Company would not have direct control over the business practices of such consultants. Accordingly, The Company and Laguna would not be in a position to directly provide the same direction, motivation and oversight as it would if consultants were its own employees. As a result, there can be no assurance that consultants will participate in Laguna's marketing strategies or plans, accept its introduction of new products, or comply with its distributor policies and procedures. While there would be an intention to prepare and provide information and guidelines designed to govern the conduct of consultants and to protect the goodwill associated with the business, it can be difficult to enforce these policies and procedures because of the potentially large number of consultants required for direct selling businesses to be successful and the independent status of consultants. Violations by consultants of applicable law or corporate policies and procedures in dealing with company customers could reflect negatively on the Laguna products and operations and harm Laguna's business reputation.

Taxation Relating to Independent Consultants

Consultants are typically subject to taxation in their respective jurisdictions, and in some instances, assuming completion of the Share Exchange, legislation or governmental agencies could impose an obligation on the Company or Laguna as its wholly-owned subsidiary, to collect taxes and to maintain appropriate records. In addition, the Company or Laguna may be subject to the risk in some jurisdictions of being responsible for withholding or other taxes with respect to payments to its consultants. In addition, in the event that local laws and regulations or the interpretation of local laws and regulations change to require it to treat its consultants as employees, or that they are deemed by local regulatory authorities in one or more of the jurisdictions in which the Company through its wholly-owned subsidiary, Laguna, operates to be its employees rather than consultants under existing laws and interpretations, they may be held responsible for withholding and related taxes in those jurisdictions, plus any related assessments and penalties, which could harm its financial condition and operating results.

Product Liability

Laguna, as a manufacturer of nutritional beverages designed to be ingested by humans, 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 Laguna'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 its 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 its 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 Laguna could result in increased costs, could adversely affect Laguna's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of Laguna. There can be no assurances that Laguna 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 Laguna'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 Laguna's products are recalled due to an alleged product defect or for any other reason, Laguna 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 Laguna intends to implement detailed procedures for quality-testing finished products, there can be no assurance that any quality or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of Laguna's significant brands or products were subject to recall, the image of that brand and Laguna could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Laguna's products and could have a material adverse effect on the results of operations and financial condition of Laguna. Additionally, product recalls may lead to increased scrutiny of Laguna's operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Limited Operating History

Laguna was incorporated on June 24, 2014 and has not yet launched any of its products. Accordingly, Laguna has a limited operating history from which investors can evaluate its business. Laguna's ability to successfully develop its products and to realize consistent, meaningful revenues and profit has not been established and cannot be assured. Laguna has not generated any revenues and does not expect to do so in the near future. For Laguna to achieve success, Laguna's products must receive broad market acceptance by consumers. Without this market acceptance, Laguna will not be able to generate sufficient revenue to continue its business operation. If Laguna's products are not widely accepted by the market, Laguna's business may fail.

Laguna's ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to generate revenues, manage development costs and expenses, and compete successfully with its direct and indirect competitors. Laguna anticipates operating losses in upcoming future periods. This will occur because there are expenses associated with the development, production, marketing, and sales of our products. As a result, Laguna may not generate significant revenues in the future. Failure to generate significant revenues in the near future may cause Laguna to suspend or cease activities.

Adverse Publicity and Product Liability Insurance

The size of Laguna's distribution force and the results of its operations may be significantly affected by the public's perception of Laguna and similar companies. This perception is dependent upon opinions concerning:

- the safety and quality of its products and ingredients;
- its independent affiliates;
- its network marketing program; and
- the network marketing business generally.

Adverse publicity concerning any actual or purported failure of Laguna or of its independent affiliates to comply with applicable laws and regulations regarding product claims and advertising, good manufacturing practices, the regulation of its network marketing program, the licensing of its products for sale in its target markets or other aspects of its business, whether or not resulting in enforcement actions or the imposition of penalties, could have an adverse effect on the goodwill of Laguna and could negatively affect its ability to attract, motivate and retain affiliates, which would negatively impact its ability to generate revenue. Laguna cannot ensure that all of its independent affiliates will comply with applicable legal requirements relating to the advertising, labeling, licensing or distribution of its products.

Adverse publicity relating to Laguna, its products or its operations, including its network marketing program or the attractiveness or viability of the financial opportunities provided thereby could have a negative effect on its ability to attract, motivate and retain independent affiliates, and its financial condition and operating results could be materially affected.

Laguna is in the process of obtaining general liability insurance, including product liability insurance. There is no guarantee that this insurance will be obtained, and if it is obtained, that it will cover all potential claims or be of a sufficient amount of coverage to protect against losses due to liability. Moreover, liability claims arising from a serious adverse event could increase its costs through higher insurance premiums and deductibles, and could make it more difficult to secure adequate insurance coverage in the future. A product liability claim or product recall could have a material adverse effect on Laguna's business and financial condition.

Relationship with and Ability to Influence Affiliates

Laguna expects to depend upon independent affiliates for a significant portion of its sales. To increase its revenue, Laguna must increase the number of, or the productivity of, its independent affiliates. Therefore, its success depends in significant part upon its ability to attract, retain and motivate a large base of independent affiliates. The loss of a significant number of affiliates for any reason could negatively impact sales of Laguna's products and could impair its ability to attract new ones. In its efforts to attract and retain independent affiliates, Laguna competes with other network marketing organizations. Laguna's operating results could be harmed if its business opportunities and products do not generate sufficient interest to retain existing and attract new independent affiliates.

The turnover rate of Laguna's independent affiliates, and its operating results, can be adversely impacted if Laguna, and its senior leadership, do not provide the necessary mentoring, training and business support tools to its affiliates for them to become successful.

Laguna's independent affiliates may voluntarily terminate their business relationship with Laguna at any time. The loss of a significant number of independent affiliates for any reason, could negatively impact sales of Laguna's products, impair its ability to attract new affiliates and harm its financial condition and operating results.

Since Laguna expects that its product sales will be made through a network marketing system comprised of independent affiliates, Laguna does not have control over the business practices of such affiliates. Accordingly, Laguna is not in a position to directly provide the same direction, motivation and oversight as Laguna would if the independent affiliates were its own employees. As a result, there can be no assurance that its independent affiliates will participate in its marketing strategies or plans, accept its introduction of new products, or comply with its distributor policies and procedures.

While Laguna expects to prepare and provide information and guidelines designed to govern the conduct of its independent affiliates and to protect the goodwill associated with its business, it can be difficult to

enforce these policies and procedures because of the large number of affiliates and their independent status. Violations by Laguna's independent affiliates of applicable law or of its policies and procedures in dealing with customers could reflect negatively on Laguna's products and operations and harm its business reputation.

International Operational Risks, Including Compliance and Foreign Exchange Risk

Laguna expects to derive a portion of its revenues from sales outside of Canada, thus exposing its business to risks associated with foreign operations. For example, a foreign government could impose trade or foreign exchange restrictions or increased tariffs, or otherwise limit or restrict its ability to import products into a country, any of which could negatively impact Laguna's operations. Laguna is also exposed to risks associated with foreign currency fluctuations. From time to time, management may engage in transactions to protect a portion of its liquidities against risks associated with foreign currency fluctuations. Laguna cannot be certain that any hedging activity which may be undertaken or any expected natural hedges will effectively reduce its exchange rate exposure. Additionally, Laguna may be negatively impacted by conflicts with or disruptions caused or faced by its third party importers, as well as conflicts between such importers and local governments or regulating agencies. Laguna's operations in some markets also may be adversely affected by political, economic and social instability in foreign countries. As Laguna expects to expand its international operations, these and other risks associated with international operations may increase, which could harm its financial condition and operating results.

Laguna is subject to direct regulation by domestic and foreign governmental agencies in countries where Laguna expects to generate network sales. Laguna's marketing objectives are contingent, in part, upon compliance with regulatory requirements and obtaining regulatory approvals where necessary for the sale of certain of its products.

Laguna is also subject to direct regulation by domestic and foreign governmental agencies in connection with the operation of its network marketing system.

In addition, Laguna may be subject to regulations and taxes under local, provincial, state and federal laws, including requirements regarding customs, duties, cross-border issues, occupational safety, laboratory practices, environmental protection and hazardous substance control, and may be subject to other present and future local and foreign regulations.

Changes in government regulations could also have an adverse effect on the business and financial condition of Laguna.

Dependence on Penetration of Existing Markets

The success of Laguna's business is to a large extent contingent on its ability to penetrate existing markets and to a lesser extent to enter into new markets. Laguna's ability to penetrate existing markets or to expand its business into additional countries, to the extent it believes that it has identified attractive geographic expansion opportunities in the future, is subject to numerous factors, many of which are out of its control.

In addition, government regulations in both its domestic and international markets can delay or prevent the introduction, or require the reformulation or withdrawal, of some of its products, which could negatively impact its business, financial condition and results of operations.

Laguna's growth will depend upon improved training and other activities that enhance the retention of independent affiliates in its markets. If Laguna is unable to expand into new markets or penetrate existing

markets, its operating results could suffer.

Competition

The market for Laguna's products is intensely competitive and subject to rapid technological changes. Larger competitors with longer operating histories and greater financial, marketing and other resources could develop and market new products which could render Laguna's existing products less competitive.

Due to the high level of competition in Laguna's industry, Laguna might fail to retain its customers and independent affiliates, which would harm its financial condition and operating results. In addition, because the industry in which Laguna operates is not particularly capital intensive or otherwise subject to high barriers to entry, it is relatively easy for new competitors to emerge who could compete with Laguna for its independent affiliates and customers. In addition, the fact that Laguna's independent affiliates may easily enter and exit its network marketing program contributes to the level of competition that Laguna faces. Laguna's ability to remain competitive therefore depends, in significant part, on its success in attracting and retaining independent affiliates through an attractive compensation plan, the maintenance of an attractive product portfolio and other incentives. Laguna cannot ensure that its programs will be successful and if they are not, Laguna's financial condition and operating results could be materially affected.

Changing Consumer Preferences and Demands

Laguna's business is subject to changing consumer trends and preferences. Laguna's continued success depends in part on its ability to anticipate and respond to these changes, and it may not respond in a timely or commercially appropriate manner to such changes. Furthermore, Laguna's industry is characterized by rapid and frequent changes in demand for products and new product introductions and enhancements. Laguna's failure to accurately predict these trends could negatively impact consumer opinion of its products, which in turn could harm its customer and distributor relationships and cause the loss of sales. The success of Laguna's new product offerings and enhancements depends upon a number of factors, including its ability to:

- accurately anticipate customer needs;
- innovate and develop new products or product enhancements that meet these needs;
- successfully commercialize new products or product enhancements in a timely manner;
- price its products competitively;
- manufacture and deliver its products in sufficient volumes and in a timely manner; and
- differentiate its product offerings from those of its competitors.

If Laguna does not introduce new products or make enhancements to meet the changing needs of its customers in a timely manner, some of Laguna's products could be rendered obsolete, which could negatively impact Laguna's revenues, financial condition and operating results.

Product Concentration

Laguna expects that its hemp-based coffee products will constitute a significant portion of its revenues. If consumer demand for these products does not develop as expected, or if Laguna ceases offering these

products without a suitable replacement, then Laguna's financial condition and operating results would be materially affected.

Key Personnel

Laguna's future success will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and technical personnel, as well as independent affiliates to form part of its network marketing system. Laguna may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and technical personnel as well as independent affiliates, could make it difficult for Laguna to manage its business and meet its objectives.

Reliance on Key Suppliers

Laguna's business is heavily dependent upon its key suppliers, namely for the provision of raw materials, for contract manufacturing services, as well as for other services such as information technology support. If Laguna is unable to maintain a business relationship with one or more of its key suppliers, its business and financial condition could be materially adversely affected. To date, Laguna has not experienced any difficulty in obtaining adequate supplies or services from its key suppliers; however, there can be no assurance that Laguna's outside contract manufacturers and suppliers will continue to reliably supply products and services to Laguna at the levels of quality and quantity which it requires.

Information Technology Infrastructure

Laguna's ability to provide products and services to its customers and independent affiliates depends on the performance and availability of its core transactional systems. This software is provided by a third party. While Laguna continues to invest in its information technology infrastructure, including the immersive Web collaboration technology, there can be no assurance that there will not be any significant interruptions to such systems or that the systems will be adequate to meet all of its future business needs.

Anyone that is able to circumvent Laguna's security measures could misappropriate confidential or proprietary information, including that of third parties such as its independent affiliates, cause interruption in its operations, damage its computers or otherwise damage its reputation and business. Laguna may need to expend significant resources to protect against security breaches or to address problems caused by such breaches. Any actual security breaches could damage Laguna's reputation and expose it to a risk of loss or litigation and possible liability under various laws and regulations. In addition, employee error or malfeasance or other errors in the storage, use or transmission of any such information could result in a disclosure to third parties. If this should occur, Laguna could incur significant expenses addressing such problems.

Compliance with Laws and Governmental Regulations

In domestic and foreign markets, the formulation, manufacturing, packaging, labeling, distribution, importation, exportation, licensing, sale and storage of Laguna's products may be affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. There can be no assurance that Laguna or its independent affiliates are in compliance with all of these regulations. The failure to comply with these regulations or new regulations could disrupt the sale of Laguna's products, or lead to the imposition of significant penalties or claims and could negatively impact Laguna's business. In addition, the adoption of new regulations or changes in the interpretations of

existing regulations may result in significant compliance costs or discontinuation of product sales and may negatively impact the marketing of Laguna's products, resulting in significant loss of sales revenues.

Governmental regulations in countries where Laguna plans to commence or expand operations may prevent or delay entry into those markets. In addition, Laguna's ability to sustain satisfactory levels of sales may depend in significant part on its ability to introduce additional products into such markets. However, governmental regulations in Laguna's markets, both domestic and international, can delay or prevent the introduction, or require the reformulation or withdrawal, of certain of its products. Any such regulatory action, whether or not it results in a final determination adverse to it, could create negative publicity, with detrimental effects on sales.

Intellectual Property

Laguna does not currently hold any registered trademarks, patents or pending patent applications. Laguna has taken measures to ensure that its product designs remain confidential by requiring employees and consultants to enter into agreements featuring confidentiality provisions. Such agreements prohibit employees and consultants from disclosing any confidential information outside of Laguna or for any use or purpose other than those of Laguna. These agreements govern interactions with business partners and prospective business partners where disclosure of proprietary information may be necessary. There can be no assurance that these agreements will be held valid and enforceable by a court, or that Laguna's employees and consultants will not breach these agreements. In addition, it may be difficult and expensive for Laguna to take legal action to remedy any possible breaches of these agreements.

The Worldwide Financial and Economic Environment

Various aspects of the current worldwide financial and economic environment could potentially impact on Laguna's liquidity, its access to capital, its operations and its overall financial condition. Laguna notes that economic and financial markets are fluid and it cannot ensure that there will not be a material adverse deterioration in its liquidity in the near future. If Laguna is forced to borrow money to support its liquidity requirements, increases in interest rates could negatively affect the cost of financing Laguna's operations.

Technical Obsolescence and Product Development

Laguna's industry is characterized by rapidly changing technology, shifting industry standards and frequent introduction of new products. The introduction of new products embodying new technologies and the emergence of new industry standards may render Laguna's products obsolete or less marketable. The process of developing Laguna's products is complex and requires continuing development efforts. Laguna's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect its business and financial condition.

Research and development in the industry in which Laguna operates is highly speculative and involves a high degree of risk. The marketability of any product which may be developed by Laguna could be affected by numerous factors beyond Laguna's control, including:

- proprietary rights of third parties or competing products or technologies may preclude commercialization;
- requisite regulatory approvals may not be obtained; and
- other factors may become apparent during the course of research, up scaling or manufacturing which may result in the discontinuation of research and other critical projects.

Liquidity Risk

Liquidity risk is defined as the potential to be unable to meet a demand for cash or meet financial obligations as they become due. This risk is managed by establishing cash forecasts, as well as operating and strategic plans. Laguna's liquidity requires constant monitoring of expected cash inflows and outflows, which is achieved through forecasts which assess the adequacy of cash resources to meet financial obligations as they come due. Liquidity adequacy is assessed in view of growth requirements and capital expenditures. Liquidity risk is managed to maintain sufficient liquid financial resources to fund its operations and meet its commitments and obligations. There can be no assurance that Laguna's forecasts will adequately predict its liquidity needs.

Legal Challenges to Network Marketing

Laguna's network marketing program is subject to a number of regulations administered in Canada and in each of the foreign markets in which Laguna intends to operate. Laguna is subject to the risk that, in one or more markets, its network marketing program could be found not to be in compliance with applicable laws or regulations. Regulations applicable to network marketing organizations generally are directed at preventing fraudulent or deceptive schemes, often referred to as "pyramid" or "chain sales" schemes, by ensuring that product sales ultimately are made to consumers and that advancement within an organization is based on sales of the organization's products rather than investments in the organization or other non-retail sales-related criteria. The ambiguity surrounding these laws can also affect the public perception of Laguna. The failure of Laguna's network marketing program to comply with current or newly adopted regulations could negatively impact Laguna's business in a particular market or in general and could adversely affect its share price. The failure of other network marketing companies could negatively impact the perception of Laguna's business or industry in general and could adversely impact its share price.

Taxation Relating to Independent Affiliates

Laguna's independent affiliates are typically subject to taxation in their respective jurisdictions, and in some instances, legislation or governmental agencies could impose an obligation on Laguna to collect taxes and to maintain appropriate records. In addition, Laguna is subject to the risk in some jurisdictions of being responsible for social security, withholding or other taxes with respect to payments to its independent affiliates.

In addition, in the event that local laws and regulations or the interpretation of local laws and regulations change to require Laguna to treat its independent affiliates as employees, or that they are deemed by local regulatory authorities in one or more of the jurisdictions in which Laguna intends to operate to be its employees rather than independent affiliates under existing laws and interpretations, Laguna may be held responsible for social contributions, withholding and related taxes in those jurisdictions, plus any related assessments and penalties, which could harm Laguna's financial condition and operating results.

Manufacturing Facilities

Laguna relies on its contracted manufacturers having properly validated, fully functioning manufacturing facilities of sufficient size in which to produce its products for market. Should systems fail, or a disaster strike, the ability to produce Laguna's products would be negatively affected which, in turn, would affect revenue generation. Laguna does not currently have backup manufacturing contracts or capacity for its products. As a result, Laguna would be forced to find new manufacturers should an unexpected event as described above occur.

Volatility of Share Prices

Share prices are subject to change because of numerous different factors related to the Company's activity, including reports of new information, changes in financial situation, the sale of shares in the market, an announcement by Laguna or any of its competitors concerning technological innovation, etc. There is no guarantee that the market price of the Company's shares will be protected from material share price fluctuations in the future.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Company may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under Part 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Company's shares.

18. Promoter

18.1 – 18.3 – Promoter Consideration

Glenn Little is considered a Promoter of the Company.

Mr. Little will hold 31,500 Common Shares of the New Issuer, representing less than 1% of the fully diluted outstanding shares following completion of the Share Exchange.

Refer to Items 13.6 to 13.10 for information on sanctions, cease trade orders, bankruptcies and conflicts of interest involving Mr. Little.

Refer to Item 15 for further details on compensation paid to Mr. Little.

19. Legal Proceedings

19.1 – Legal Proceedings

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

19.2 – Regulatory Actions

The Company is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Company entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Company's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

Other than as disclosed in this Listing Statement or in the Initial Listing Statement, no director, officer, proposed management nominee for director or person who, to the knowledge of the directors or officers of the Company, beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to all outstanding Common Shares of the Company, informed person or any Associate or Affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the Company's inception or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company. See Item 12 – *Principal Shareholders*.

21. Auditors, Transfer Agents and Registrars

21.1 – Auditor

The auditor for the Company is the firm of Charlton & Company (the “**Auditor**”), at its office located at Suite 1735 – 555 Burrard Street, Vancouver, British Columbia. The Auditor is the independent registered certified auditor of the Company and was appointed on June 2, 2014, shortly after incorporation of the Company.

The Auditor has also audited the financial statements of Laguna contained in the Listing Statement.

21.2 – Transfer Agent and Registrar

The registrar and transfer agent of the Company's Common Shares is Computershare Investor Services Inc., at its Vancouver office located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

22. Material Contracts

22.1 – Material Agreements

From the date of the Company's inception to the date of this Listing Statement, the Company has entered into or will enter into the following material contracts, other than contracts entered into in the ordinary course of business:

Title of Agreement	Parties and Description	Date of Agreement
Escrow Agreement	Company, Computershare Investor Services Inc., Shareholders See Item 11 – <i>Escrowed Securities</i> for a description	Date of Closing of the Share Exchange
Voluntary Pooling Agreement	Company, Laguna Shareholders, Clark Wilson LLP See Item 11 – <i>Escrowed Securities</i> for a description	Date of Closing of the Share Exchange

Title of Agreement	Parties and Description	Date of Agreement
Exchange Agreement	Company, Laguna, Laguna Shareholders See Item 2.4 – <i>Fundamental Change</i> for a description	April 7, 2015 as amended June 23, 2015
Stock Restriction Agreement	Company and Ritterkreuz Capital Ltd. Stock restriction agreement whereby 2,200,000 common shares were placed into escrow. These shares will be released from escrow over a period of 36 months from July 8, 2014, the date the Company's shares were listed on the CSE. As at December 31, 2014, 1,650,000 common shares were held in escrow.	June 12, 2014
Arrangement Agreement	Company, Grenadier Exploration Corp. and Gorilla Minerals Corp. See Item 3.1 – <i>General Development of the Business</i> for a description	May 5, 2014

During the course of the two years prior to the date of the Listing Statement, Laguna has entered into the following material contracts, other than contracts entered into in the ordinary course of business:

Title of Agreement	Parties and Description	Date of Agreement
Exchange Agreement	Company, Laguna, Laguna Shareholders See Item 3.1 – <i>General Development of the Business</i> for a description	April 7, 2015 as amended June 23, 2015
NSE Agreement	NSE and Laguna See Item 3.1 – <i>General Development of the Business</i> for a description	July 28, 2015
NSE LOI (superseded by NSE Agreement)	NSE and Laguna See Item 3.1 – <i>General Development of the Business</i> for a description	April 12, 2015 as amended May 29, 2015
Software Licensing Agreement	Internetnextstep.com Consulting Ltd. And Laguna	February 11, 2015
R&D Supply Agreement	Walking Tree and Laguna See Item 3.1 – <i>General Development of the Business</i> for a description	September 22, 2014, as amended March 25, 2015

22.2 – Special Agreements

This section is not applicable to the Company.

23. Interest of Experts

23.1 – Interest 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 Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. The Auditor is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

24. Other Material Facts

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Company and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its respective securities.

25. Financial Statements

25.1 – Financial Statements of the Company

The Company's financial statements for the year ended March 31, 2015 and the most recently completed interim period ended June 30, 2015 are available on the SEDAR website under the Company's profile at www.sedar.com.

The Company was incorporated on July 8, 2014 so has not completed more than one fiscal year.

25.2 – Financial Statements of Laguna and the New Issuer

(a) Consolidated Financial Information of Laguna

Annual Information

The following financial data summarizes selected financial data of Laguna prepared in accordance with IFRS for the period from June 24, 2014 (the date of incorporation of Laguna) to March 31, 2015. The information set forth below should be read in conjunction with the audited financial statements of Laguna and the related notes thereto.

Selected Financial Data

	Period from June 24, 2014 to March 31, 2015 (audited)
Revenue	Nil
Total Expenses	\$912,978
Net loss and total comprehensive loss for the period	\$912,978
Basic and diluted loss per common share	\$0.17
Cash	\$14,560
Total assets	\$78,408
Total short-term liabilities	\$416,086
Total long-term liabilities	Nil
Cash dividends per common share	Nil

Quarterly Information

Laguna was incorporated on June 24, 2014 so has not completed more than one fiscal year. The financial results of Laguna for the most recently completed quarter ended June 30, 2015 are summarized below:

	Three-month period ended June 30, 2015 (unaudited)
Revenue	Nil
Total Expenses	\$924,934
Net loss and total comprehensive loss for the period	\$924,934
Basic and diluted loss per common share	\$0.03
Cash	\$928
Total assets	\$18,908
Total short-term liabilities	\$660,520
Total long-term liabilities	Nil
Cash dividends per common share	Nil

Dividends

Laguna does not have a dividend policy and does not pay dividends to its shareholders.

(b) Financial Statements of Laguna

The audited financial statements of Laguna for the period from June 24, 2014 (the date of its incorporation) to March 31, 2015 are attached hereto as Schedule “A”, and the unaudited interim financial statements of Laguna for the three months ended June 30, 2015 are attached hereto as Schedule “B”.

(c) Pro-Forma Consolidated Financial Statements of the New Issuer

The pro-forma consolidated financial statements of the New Issuer giving effect to the Share Exchange as at June 30, 2015 are attached hereto as Schedule “C”.

CERTIFICATE OF THE ISSUER

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

Dated at Vancouver, British Columbia this 31st day of August, 2015.

(signed) "Glenn Little"

GLENN LITTLE

President, Chief Executive Officer, Chief Financial
Officer and Director

(signed) "Glenn Little"

GLENN LITTLE

Promoter

(signed) "Jon Sherron"

JON SHERRON

Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Laguna Blends Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Kelowna, British Columbia this 31st day of August, 2015.

(signed) “*Stuart Gray*”
STUART GRAY
President, Chief Executive Officer,
Chief Financial Officer and Director

(signed) “*Martin Carleton*”
MARTIN CARLETON
Director

SCHEDULE "A"
AUDITED FINANCIAL STATEMENTS
OF LAGUNA FOR THE PERIOD FROM INCORPORATION ON
JUNE 24, 2014 TO MARCH 31, 2015

[inserted as pages following]

LAGUNA BLENDS INC.
FINANCIAL STATEMENTS

For the period from the date of incorporation, June 24, 2014 to March 31, 2015

Expressed in Canadian Dollars

P | 604.683.3277
F | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURNARD STREET
BOX 243
VANCOUVER, BC V7X 1M9



charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**To the Director of:
Laguna Blends Inc.**

We have audited the accompanying financial statements of Laguna Blends Inc., which comprise the statement of financial position as at March 31, 2015 and the statement of loss and comprehensive loss, changes in equity and cash flows for the period from the date of incorporation, June 24, 2014, to March 31, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Laguna Blends Inc. as at March 31, 2015 and its financial performance and cash flows for the period from the incorporation date of June 24, 2014 to March 31, 2015, in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date and is dependent on its ability to generate future cash flows or obtain additional financing. These conditions, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
August 7, 2015

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LAGUNA BLENDS INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		March 31, 2015
ASSETS		
Current		
Cash	\$	14,560
GST receivable		5,929
Prepaid expenses		57,919
	\$	78,408
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$	96,086
Promissory notes (Note 9)		320,000
		416,086
SHAREHOLDERS' EQUITY		
Share capital (Note 4)		26,000
Additional paid in capital (Note 4)		539,000
Reserves (Note 4)		10,300
Accumulated deficit		(912,978)
Total Shareholders' Deficit		(337,678)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	78,408

Nature of operations and going concern (Note 1)
Events after the reporting period (Note 10)

Approved by:

"Stuart Gray" Director
Stuart Gray, Director

"Martin Carleton" Director
Martin Carleton, Director

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

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LAGUNA BLENDS INC.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		For the period from the date of incorporation June 24, 2014 to March 31, 2015
EXPENSES		
Consulting fees (Note 8)	\$	601,506
General and administration (Note 8)		82,444
Professional fees		71,173
Research and development		157,855
NET AND COMPREHENSIVE LOSS	\$	(912,978)
Basic and diluted loss per common share	\$	(0.17)
Weighted average number of common shares outstanding		5,441,260

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

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LAGUNA BLENDS INC.
STATEMENT OF CHANGES IN EQUITY
For the period from the date of Incorporate, June 24,
2014 to March 31, 2015
(Expressed in Canadian Dollars)

	Common shares		Additional			
	Number	Par Value	Paid in Capital	Reserves	Deficit	Total
Balance at incorporation June 24, 2014	-	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued for cash at \$0.001 per share	100	-	-	-	-	-
Issuance of common shares for cash (Note 4)	7,500,000	7,500	142,500	-	-	150,000
Issuance of common shares for debt (Note 4)	6,639,250	6,639	171,146	-	-	177,785
Issuance of common shares for consulting services (Note 4)	11,860,750	11,861	225,354	-	-	237,215
Issuance of warrants for consulting services (Note 4)	-	-	-	10,000	-	10,000
Issuance of options for consulting services (Note 5)	-	-	-	300	-	300
Net loss for the period	-	-	-	-	(912,978)	(912,978)
BALANCE, MARCH 31, 2015	26,000,100	\$ 26,000	\$ 539,000	\$ 10,300	\$ (912,978)	\$ (337,678)

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

LAGUNA BLENDS INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the period from the date of incorporation June 24, 2014 to March 31, 2015
CASH RESOURCES PROVIDED BY (USED IN)	
OPERATING ACTIVITIES	
Net loss for the period	\$ (912,978)
Items not involving cash – Share-based payments	247,515
Changes in non-cash working capital items:	
Accounts receivable	(5,929)
Prepaid expenses	(57,919)
Accounts payable and accrued liabilities	96,086
	(633,225)
FINANCING ACTIVITIES	
Issuance of common shares	327,785
Promissory notes	320,000
	647,785
CHANGE IN CASH	14,560
CASH, BEGINNING	-
CASH, ENDING	\$ 14,560
Supplemental Disclosure of Cash Flow Information	
Cash paid during the period:	
Interest	\$ -
Income taxes	\$ -

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

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LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

1. Nature and Continuance of Operations and Going Concern

Laguna Blends Inc. (the "Company") was incorporated on June 24, 2014 in the State of Nevada, USA. The head office of the Company is 302 - 1912 Enterprise Way, Kelowna, B.C., V1Y9S9. The Company is a network marketing Company focused on the nutritional health benefits that are derived from hemp.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2015, the Company has not generated any revenues from operations and has a working capital deficiency of \$337,678 and an accumulated deficit of \$912,878. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These financial statements for the period ended March 31, 2015, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements are authorized for issue by the Board of Directors on August 7, 2015.

Basis of Measurement

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

Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

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

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation - (Continued)

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements are the classification of financial instruments and the going concern assumption.

Estimates

The most significant assumptions concerning estimation uncertainty of share-based payments based on issuance of common shares that do not have a quoted market price in an active market and input used in assessing the recoverability of deferred income tax.

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

Basic and Diluted Loss Per Share

Basic losses per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted losses per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. No potentially dilutive securities were issued during the period. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

3. Significant Accounting Policies (continued)

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following three categories depending on the purpose for which the instruments were acquired: Financial assets at fair value through profit or loss ("FVTPL"), available for sale ("AFS") financial assets or loans and receivable.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payable and accrued liabilities. Subsequent to initial recognition, accounts payable and accrued financial liabilities and loan payable are measured at amortized cost using the effective interest method. All are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of the available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets or liabilities.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

3. Significant Accounting Policies – (continued)

Income taxes

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Research and development

Internal research costs are charged to the income statement in the period in which they are incurred. Development costs are only recognized as assets on the balance if all the recognition criteria set by IAS 38 – Intangible Assets are met before the products are launched on the market. Development costs are therefore charged to the income statement in the period in which they are incurred due to uncertainties inherent in the development of new products because the expected future economic benefits cannot be reliably determined.

Comprehensive Income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
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NOTES TO THE FINANCIAL STATEMENTS

3. Significant Accounting Policies (continued)

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as part of private placement units with the value attributed to the warrants recorded as a separate component of equity.

Common shares, which by agreement are designated as flow-through shares, are usually issued at a premium to non flow-through common shares. On issue, share capital is increased only by the non flow-through share equivalent value. Any premium is recorded as a flow-through share liability. Pursuant to any flow-through share agreement the Company must renounce its flow-through share exploration expenditures to the flow-through shareholders, and the Company gives up its rights to the income tax benefits on the exploration expenditures. The flow-through share liability is recognized in other income as the associated exploration expenditures are incurred.

Share-based payments

From time to time, the Company grants options to directors, officers, employees and non-employees to purchase common shares. The Company accounts for share-based payments, including stock options, at their fair value on the grant date and recognizes the cost as a compensation expense over the period that the employees become entitled to the award. The fair value of the options on the grant date is determined using the Black-Scholes pricing model for stock option awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. A corresponding increase is recognized in shareholders' equity for these costs.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Related Parties

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. 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.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
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NOTES TO THE FINANCIAL STATEMENTS

3. Significant Accounting Policies (continued)

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

4. Share Capital

a) Authorized

50,000,000 common shares, with a par value of \$0.001 per share.

b) Issued and outstanding

As at March 31, 2015, there are 26,000,100 common shares issued and outstanding issued as follows:

- On June 24, 2014, the Company issued 100 common shares at par value of \$0.001 per share for total proceeds of \$0.10 (Note 10).
- On December 20, 2014, the Company issued 3,639,250 common shares at deemed price of \$0.02 per share for a total of \$72,785 to settle a convertible debts totaling \$72,785.
- On December 31, 2014, the Company issued 5,500,000 common shares at a deemed price of \$0.02 per share for a total of \$110,000 in exchange for consulting services with unrelated parties.
- On December 31, 2014, the Company issued 6,360,750 common shares at a deemed price of \$0.02 per share for a total of \$127,215 in exchange for consulting services with officers of the Company.
- On January 30, 2015, the Company and a lender entered into an agreement to amend the terms of the four promissory notes totaling \$105,000 bearing interest at 10% per annum and make the principal amount of the notes convertible into common shares of the Company. The Company issued to the purchaser, a convertible debenture for \$105,000 maturing on June 30, 2015. The convertible debenture allows the purchaser to convert the principal amount of \$105,000 into 3,000,000 common shares of the Company at \$0.035 per share. On January 30, 2015, the purchaser converted the principle amount into 3,000,000 shares for the total value of \$105,000.

LAGUNA BLENDS INC.
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NOTES TO THE FINANCIAL STATEMENTS

4. Share Capital (continued)

b) Issued and outstanding (continued)

- On February 15, 2015, the Company issued 7,500,000 shares at a deemed price of \$0.02 per share for a total of \$150,000.

Proceeds for shares issued in excess of the par value per share are credited to additional paid in capital.

c) Warrants

On December 31, 2014, the Company issued 4,000,000 warrants as part of a consulting services agreement with the Chief Executive Officer. Each whole warrant entitled the holder to purchase one common share at an exercise price of \$0.27 per share exercisable for 10 years to December 31, 2024 (Note 10).

The warrants were valued at \$10,000 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.39%
Expected life of warrants	10 years
Expected volatility	51%
Dividend per share	\$0.00

As at March 31, 2015, the Company had 4,000,000 warrants outstanding, summarized in the following table:

	Number of Warrants
Balance at date of incorporation June 24, 2014	-
Issued	4,000,000
Exercised	-
Cancelled/expired	-
Balance at March 31, 2015	4,000,000

As at March 31, 2015, the warrants outstanding have a weighted average remaining life of 9.9 years.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
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NOTES TO THE FINANCIAL STATEMENTS

4. Share Capital (continued)

d) Options

On January 23, 2015, the Company granted to consultants an aggregate of 1,800,000 options exercisable at an exercise price of \$0.16 per common share that expires January 23, 2018. The options are vested and exercisable on January 23, 2015.

The options had a fair value of \$300 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.55%
Expected life of warrants	3 years
Expected volatility	51%
Dividend per share	\$0.00

As at March 31, 2015, the Company had 1,800,000 options outstanding, summarized in the follow table"

	Number of Warrants
Balance at date of incorporation June 24, 2014	-
Issued	1,800,000
Exercised	-
Cancelled/expired	-
Balance at March 31, 2015	1,800,000

As at March 31, 2015, the options outstanding have a weighted average remaining life of 2.9 years.

5. Financial Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of accounts payable and accrued liabilities approximated their fair value because of the relatively short-term nature of these instruments.

Credit risk

The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

5. Financial Instruments (continued)

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Director are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

6. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in an early stage of business development, its principal source of funds is from the issuance of common shares.

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

The Company is not subject to externally imposed capital requirements.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

7. Income Taxes

(a) Current Income Taxes

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

	March 31, 2015
Net loss for the period	\$(912,978)
Expected tax recovery at a combined federal and provincial rate of 26.00%	\$(237,374)
Non-deductible items	64,354
Tax benefit not recognized	173,020
Deferred income tax recovery	\$ -

(b) Deferred Taxes

Significant components of the Company's deferred income tax assets (not recognized) after applying enacted corporate income tax rates are as follows:

	March 31, 2015
Non-capital loss carry forwards	\$ 173,020
Net deferred income tax asset not recognized	\$ 173,020

Management had determined that the realization of the potential income tax benefits related to the non-capital losses is uncertain at this time, and cannot be viewed as more likely than not. Accordingly, the Company has recorded the potential deferred income tax asset.

At March 31, 2015, the Company has Canadian non-capital losses of \$173,020 which, if not utilized to reduce income in future periods, expire through 2035.

8. Related Party Transactions

The Company's related parties and key management personnel consist of the Chief Executive Officer, Directors and Corporate Secretary. Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

- a) During the period ended March 31, 2015, the Company paid \$150,500 for consulting fees to the Chief Executive Officer and Director. Of this amount, \$108,000 represented the issuance of 5,400,000 common shares at a deemed price of \$0.02 per share (Note 4b) and issuance of 4,000,000 warrants to purchase common shares at a fair value of \$10,000 (Note 4c). In addition, the Company paid \$797 in benefits on behalf of the CEO and Director.
- b) During the period ended March 31, 2015, the Company paid \$39,715 for consulting fees to the former Corporate Secretary. Of this amount \$19,215 represented the issuance of 960,750 common shares at a deemed price of \$0.02 per share (Note 4b). In addition, the Company paid \$797 in benefits on behalf of the Corporate Secretary.

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015
NOTES TO THE FINANCIAL STATEMENTS

8. Related Party Transactions (continued)

- a) During the period ended March 31, 2015, the Company paid \$35,247 for consulting fees to a director of the Company. Of this amount \$10,500 represented the issuance of 500,000 common shares at a deemed price of \$0.02 per share (Note 4b).
- b) During the period ended March 31, 2015, the Company issued 1,039,250 common shares at a deemed price of \$0.02 per share for a total of \$20,785 to settle a convertible debt with the former Corporate Secretary in the amount of \$20,785.
- c) During the period ended March 31, 2015, the Company issued 1,600,000 common shares at a deemed price of \$0.02 per share for a total of \$32,000 to settle a convertible debt in the amount of \$32,000, with an individual related to the CEO and Director.
- d) As at March 31, 2015 a total of \$1,401 included in accounts payables is owed to the Chief Executive Officer. This amount is unsecured and non-interest bearing.
- e) As at March 31, 2015 a total of \$1,029 included in accounts payables is owed to a director of the Company. This amount is unsecured and non-interest bearing.

9. Promissory Note

Pursuant to a Letter of Intent dated January 16, 2015, the Company borrowed \$320,000 from Grenadier Resource Corp. in return for five promissory notes totaling \$320,000, payable on demand, bearing interest at 12% per annum. As at March 31, 2015 the principal amount of \$320,000 remained outstanding. (Note 10).

10. Events After the Reporting Period

- a) On January 19, 2015, the Company entered into a Letter of Intent ("LOI"), with Grenadier Resource Corp. ("Grenadier"), an arms' length company listed on the Canadian Securities Exchange ("CSE"). On April 7, 2015 and as amended on June 23, 2015 the Company entered into a Share Exchange Agreement (the "Exchange Agreement") with Grenadier and the Company's shareholders.

Pursuant to the Exchange Agreement, Grenadier will acquire all the issued and outstanding shares of Laguna in exchange for issuance of Grenadier shares, which will result in Laguna becoming a wholly-owned subsidiary of Grenadier and the business of Laguna will become the business of Grenadier.

As part of this transaction, Grenadier has agreed to advance \$50,000 to Laguna which is due on demand if the transaction does not complete. The loan advance bears interest at the rate of 12% per annum, calculated and payable monthly. Up to a further \$500,000 with the same repayment terms may be advanced by Grenadier to Laguna prior to closing the transaction to fund Laguna's business operations. As at March 31, 2015, Grenadier had advanced \$320,000 to the Company. On April 28, 2015, May 4, 2015, and May 27, 2015 and Grenadier advanced a further \$55,000, \$25,000 and \$70,000 respectively to the Company under the same terms.

LAGUNA BLENDS INC.

(Expressed in Canadian Dollars)

MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

It is contemplated that Grenadier will issue shares to the shareholders of Laguna, resulting in a change in control of Grenadier.

The Acquisition is subject to, among other things, approval of the shareholders of Grenadier and approval of Canadian Securities Exchange.

- b) On April 12, 2015 as amended May 29, 2015, the Company signed a letter of intent (the "NSE LOI") with Naturally Splendid Enterprises Ltd. ("NSE") (TSX-V: NSP, OTCQB: NSPDF, FRANKFURT: 50N) whereby the Company and NSE planned to enter into a research, development and manufacturing agreement for the purpose of pursuing mutually beneficial business opportunities in the hemp food products area (the "NSE Proposed Transaction"). Pursuant to the terms of the NSE Proposed Transaction, the Company would place an initial purchase order of \$100,000 for the HempOmega™ infused hemp protein formulations ("Laguna HempOmega™ Infused Protein Products").
- c) On April 7, 2015, the Company issued 2,300,000 common shares to two finders at a deemed price of \$0.27 per common share as finder's fees in connection with the transaction with Grenadier, pursuant to the Exchange Agreement.
- d) On April 20, 2015, the Company borrowed \$50,000 from the CEO of the Company as evidenced by a promissory note in the amount of \$50,000. The note bears interest at 10% per annum and is payable on demand.
- e) On April 29, 2015, the Company amended the expiry date of the 4,000,000 transferable warrants to December 31, 2019.
- f) Effective May 31, 2015, the Company cancelled 640,000 common shares previously issued to a former consultant pursuant to an agreement to terminate a consulting agreement. As part of the agreement the Company issued 50,000 non-transferable warrants with an exercise price of \$0.27 per warrant expiring on May 31, 2016. The remaining 360,000 common shares previously issued to a former consultant are subject to an escrow agreement.
- g) On June 17, 2015, the Company borrowed \$15,000 from the CEO of the Company as evidenced by a promissory note in the amount of \$15,000. The note bears interest at 10% per annum and is payable on demand.
- h) On July 9, 2015, the Company and the CEO entered into a return to treasury agreement whereby 100 common shares of the Company issued to Mr. Gray on June 14, 2014 as founders shares were returned to the treasury of Laguna for the sole purpose of Laguna retiring the surrendered shares without any consideration.
- i) On July 16, 2015, the Company entered into an agreement with its CEO, whereby the CEO advanced a secured loan in the principal amount of \$250,000 to Laguna on the terms and conditions of the loan agreement. The loan is due and payable in full on July 16, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and the proceeds thereof.
- j) On July 28, 2015, the Company entered into a development and manufacturing agreement with NSE (the "NSE Agreement") which replaced and superseded the NSE LOI and placed the initial

LAGUNA BLENDS INC.
(Expressed in Canadian Dollars)
MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

purchase order of \$100,000 for Laguna HempOmega™ Infused Protein Products. Pursuant to the NSE Agreement, NSE granted the Company (i) a non-exclusive, non-transferrable and royalty-free license to include the HempOmega™ trade-mark on the Laguna HempOmega™ Infused Protein Products, as specified on a white private label agreement, (ii) a worldwide exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products, dependent on Laguna achieving certain sales targets, and (iii) if Laguna does not achieve the sales targets, a worldwide and non-exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products. Specifically, the Company must meet the following minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products: \$1,600,000 in the first year of the NSE Agreement, and \$4,500,000 in the second year of the NSE Agreement. Either party may terminate the NSE Agreement upon 60 days written notice to the other party. There can be no assurance that the Company will be able to meet the minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products.

- k) On July 28, 2015, the Company and its CEO entered into a debt settlement and subscription agreement, whereby \$65,000 previously loaned by the CEO to the Company under two promissory notes and the interest thereon were settled by the issuance of 1,400,000 common shares of the Company to the CEO. Also, on this date, the CEO returned 1,400,000 common shares of the Company which were issued to the CEO pursuant to his consulting agreement with the Company to treasury for cancellation.
- l) On July 31, 2015, the Company entered into a loan agreement with an arm's length lender, whereby the lender advanced a secured loan in the principal amount of \$50,000 to the Company on the terms and conditions of the loan agreement. The loan is due and payable in full on July 31, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and proceeds thereof, which security ranks equally with the \$250,000 secured loan advanced by the Company's CEO. In connection with this loan, the Company's CEO transferred 50,000 warrants of the Company, previously issued to the CEO, to the lender.

SCHEDULE “B”

**UNAUDITED INTERIM FINANCIAL STATEMENTS
OF LAGUNA FOR THE THREE MONTHS ENDED JUNE 30, 2015**

[inserted as pages following]

LAGUNA BLENDS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2015

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

LAGUNA BLENDS INC.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2015	March 31, 2015
ASSETS		
Current		
Cash	\$ 928	\$ 14,560
GST receivable	17,980	5,929
Prepaid expenses	-	57,919
	\$ 18,908	\$ 78,408
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 125,520	\$ 96,086
Promissory notes (Note 7 and 8)	535,000	320,000
	660,520	416,086
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	28,300	26,000
Additional paid in capital (Note 4)	1,157,700	539,000
Reserves (Note 4)	10,300	10,300
Accumulated deficit	(1,837,912)	(912,978)
Total Shareholders' Deficit	(641,612)	(337,678)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 18,908	\$ 78,408

Nature of operations and going concern (Note 1)
Events after the reporting period (Note 9)

Approved by:

"Stuart Gray" Director
Stuart Gray, Director

"Martin Carleton" Director
Martin Carleton, Director

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

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LAGUNA BLENDS INC.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three Months ended June 30, 2015	For the period from incorporation on June 24, 2014 to March 31, 2015
EXPENSES		
Consulting fees (Note 7)	\$ 120,375	\$ 601,506
General and administration (Note 7)	30,687	82,444
Professional fees	36,131	71,173
Research and development	737,741	157,855
NET AND COMPREHENSIVE LOSS	\$ (924,934)	\$ (912,978)
 Basic and diluted loss per common share	 \$ (0.03)	 \$ (0.17)
 Weighted average number of common shares outstanding	 28,099,221	 5,441,260

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

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LAGUNA BLENDS INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Common shares		Additional			
	Number	Par Value	Paid in	Reserves	Deficit	Total
			Capital			
Balance at incorporation June 24, 2014	-	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued for cash at \$0.001 per share	100	-	-	-	-	-
Issuance of common shares for cash (Note 4)	7,500,000	7,500	142,500	-	-	150,000
Issuance of common shares for debt (Note 4)	6,639,250	6,639	171,146	-	-	177,785
Issuance of common shares for consulting services (Note 4)	11,860,750	11,861	225,354	-	-	237,215
Issuance of warrants for consulting services (Note 4)	-	-	-	10,000	-	10,000
Issuance of options for consulting services (Note 5)	-	-	-	300	-	300
Net loss for the period	-	-	-	-	(912,978)	(912,978)
BALANCE, MARCH 31, 2015	26,000,100	26,000	539,000	10,300	(912,978)	(337,678)
Issuance of common shares for services (Note 4)	2,300,000	2,300	618,700	-	-	621,000
Shares returned to treasury (Note 5)	(640,000)	-	-	-	-	-
Net loss for the period	-	-	-	-	(924,934)	(924,934)
BALANCE, JUNE 30, 2015	27,660,100	\$ 28,300	\$1,157,700	\$ 10,300	\$ (1,837,912)	\$ 641,612

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

LAGUNA BLENDS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30, 2015	For the period from date of incorporation on June 24, 2014 to March 31, 2015
CASH RESOURCES PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	\$ (924,934)	\$ (912,978)
Items not involving cash – Share-based payments	621,000	247,515
Changes in non-cash working capital items:		
Accounts receivable	(12,051)	(5,929)
Prepaid expenses	57,919	(57,919)
Accounts payable and accrued liabilities	29,434	96,086
	(228,632)	(633,225)
FINANCING ACTIVITIES		
Issuance of common shares	-	327,785
Promissory notes	215,000	320,000
	215,000	647,785
CHANGE IN CASH	(13,632)	14,560
CASH, BEGINNING	14,560	-
CASH, ENDING	\$ 928	\$ 14,560
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

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LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Nature and Continuance of Operations and Going Concern

Laguna Blends Inc. (the "Company") was incorporated on June 24, 2014 in the State of Nevada, USA. The head office of the Company is 302 - 1912 Enterprise Way, Kelowna, B.C. V1Y9S9. The Company is a network marketing Company focused on the nutritional health benefits that are derived from hemp.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2015, the Company has not generated any revenues from operations and has a working capital deficiency of \$641,612 and an accumulated deficit of \$1,837,912.⁵ The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These unaudited condensed interim financial statements for the three months ended June 30, 2015, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"). These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended March 31, 2015, which have been prepared in accordance with IFRS. These condensed interim financial statements follow the same accounting policies and methods of application as the audited financial statements for the period ended March 31, 2015.

These financial statements are authorized for issue by the Board of Directors on August 17, 2015.

Basis of Measurement

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

Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

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

2. Basis of Preparation - (Continued)

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements are the classification of financial instruments and the going concern assumption.

Estimates

The most significant assumptions concerning estimation uncertainty of share-based payments based on issuance of common shares that do not have a quoted market price in an active market and input used in assessing the recoverability of deferred income tax.

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these condensed interim financial statements set out below have been applied consistently in all material respects.

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. Significant Accounting Policies (continued)

Basic and Diluted Loss Per Share

Basic losses per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted losses per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. No potentially dilutive securities were issued during the period. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following three categories depending on the purpose for which the instruments were acquired: Financial assets at fair value through profit or loss ("FVTPL"), available for sale ("AFS") financial assets or loans and receivable.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payable and accrued liabilities. Subsequent to initial recognition, accounts payable and accrued financial liabilities and loan payable are measured at amortized cost using the effective interest method. All are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of the available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets or liabilities.

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. Significant Accounting Policies – (continued)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Research and development

Internal research costs are charged to the income statement in the period in which they are incurred. Development costs are only recognized as assets on the balance if all the recognition criteria set by IAS 38 – Intangible Assets are met before the products are launched on the market. Development costs are therefore charged to the income statement in the period in which they are incurred due to uncertainties inherent in the development of new products because the expected future economic benefits cannot be reliably determined.

Comprehensive Income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3. Significant Accounting Policies (continued)

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as part of private placement units with the value attributed to the warrants recorded as a separate component of equity.

Common shares, which by agreement are designated as flow-through shares, are usually issued at a premium to non flow-through common shares. On issue, share capital is increased only by the non flow-through share equivalent value. Any premium is recorded as a flow-through share liability. Pursuant to any flow-through share agreement the Company must renounce its flow-through share exploration expenditures to the flow-through shareholders, and the Company gives up its rights to the income tax benefits on the exploration expenditures. The flow-through share liability is recognized in other income as the associated exploration expenditures are incurred.

Share-based payments

From time to time, the Company grants options to directors, officers, employees and non-employees to purchase common shares. The Company accounts for share-based payments, including stock options, at their fair value on the grant date and recognizes the cost as a compensation expense over the period that the employees become entitled to the award. The fair value of the options on the grant date is determined using the Black-Scholes pricing model for stock option awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. A corresponding increase is recognized in shareholders' equity for these costs.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Related Parties

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. 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.

LAGUNA BLENDS INC.
(Unaudited - Expressed in Canadian Dollars)
June 30, 2015
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3. Significant Accounting Policies (continued)

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

4. Share Capital

a) Authorized

50,000,000 common shares, with a par value of \$0.001 per share.

b) Issued and outstanding

As at June 30, 2015, there are 27,660,100 common shares issued and outstanding issued as follows:

- On June 24, 2014, the Company issued 100 common shares at par value of \$0.001 per share for total proceeds of \$0.10 (Note 9).
- On December 20, 2014, the Company issued 3,639,250 common shares at deemed price of \$0.02 per share for a total of \$72,785 to settle a convertible debts totaling \$72,785.
- On December 31, 2014, the Company issued 5,500,000 common shares at a deemed price of \$0.02 per share for a total of \$110,000 in exchange for consulting services with unrelated parties.
- On December 31, 2014, the Company issued 6,360,750 common shares at a deemed price of \$0.02 per share for a total of \$127,215 in exchange for consulting services with officers of the Company.
- On January 30, 2015, the Company and a lender entered into an agreement to amend the terms of the four promissory notes totaling \$105,000 bearing interest at 10% per annum and make the principal amount of the notes convertible into common shares of the Company. The Company issued to the purchaser, a convertible debenture for \$105,000 maturing on June 30, 2015. The convertible debenture allows the purchaser to convert the principal amount of \$105,000 into 3,000,000 common shares of the Company at \$0.035 per share. On January 30, 2015, the purchaser converted the principle amount into 3,000,000 shares for the total value of \$105,000.

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****4. Share Capital (continued)****b) Issued and outstanding (continued)**

- On March 31, 2015, the Company issued 7,500,000 shares at a deemed price of \$0.02 per share for a total of \$150,000.
- On April 7, 2015, the Company issued 2,300,000 common shares at a deemed price of \$0.27 per share for a total of \$621,000 in exchange for services with unrelated parties.
- On June 23, 2015, the Company cancelled 640,000 common shares previously issued to a former consultant pursuant to an agreement to terminate a consulting agreement. As part of the agreement the Company issued 50,000 warrants with an exercise price of \$0.27 per warrant expiring on May 31, 2016. The remaining 360,000 common shares previously issued to a former consultant are subject to an escrow agreement. As at June 30, 2015, 330,000 shares were held in escrow with 30,000 shares released from escrow each month.

Proceeds for shares issued in excess of the par value per share are credited to additional paid in capital.

c) Warrants

On December 31, 2014, the Company issued 4,000,000 transferable warrants as part of a consulting services agreement with the Chief Executive Officer. Each whole warrant entitled the holder to purchase one common share at an exercise price of \$0.27 per share exercisable for 10 years to December 31, 2024. During the period ended June 30, 2015, the expiry date was amended to December 31, 2019. On May 31, 2015, the Company issued 50,000 non-transferable warrants pursuant to a settlement agreement with an arm's length party.

The 4,000,000 warrants were valued at \$10,000 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.39%
Expected life of warrants	10 years
Expected volatility	51%
Dividend per share	\$0.00

As at June 30, 2015, the Company had 4,050,000 warrants outstanding, summarized in the following table:

	Number of Warrants
Balance at date of incorporation June 24, 2014	-
Issued	4,000,000
Cancelled/expired	-
Balance at March 31, 2015	4,000,000
Issued	50,000
Cancelled/expired	-
Balance at June 30, 2015	4,050,000

As at June 30, 2015, the warrants outstanding have a weighted average remaining life of 4.5 years.

LAGUNA BLENDS INC.
(Unaudited - Expressed in Canadian Dollars)
June 30, 2015
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4. Share Capital (continued)

d) Options

On January 23, 2015, the Company granted to consultants an aggregate of 1,800,000 options exercisable at an exercise price of \$0.16 per common share that expires January 23, 2018. The options are vested and exercisable on January 23, 2015.

The options had a fair value of \$300 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.55%
Expected life of warrants	3 years
Expected volatility	51%
Dividend per share	\$0.00

As at March 31, 2015, the Company had 1,800,000 options outstanding, summarized in the follow table"

	Number of Warrants
Balance at date of incorporation June 24, 2014	-
Issued	1,800,000
Exercised	-
Cancelled/expired	-
Balance at March 31, 2015	1,800,000
Issued	-
Exercised	-
Cancelled/expired	-
Balance at June 30, 2015	1,800,000

As at June 30, 2015, the options outstanding have a weighted average remaining life of 2.6 years.

5. Financial Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of accounts payable and accrued liabilities approximated their fair value because of the relatively short-term nature of these instruments.

Credit risk

The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

5. Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Director are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

6. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in an early stage of business development, its principal source of funds is from the issuance of common shares.

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

The Company is not subject to externally imposed capital requirements.

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Related Party Transactions

The Company's related parties and key management personnel consist of the Chief Executive Officer, Directors and Corporate Secretary. Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

- a) During the period ended March 31, 2015, the Company paid \$150,500 for consulting fees to the Chief Executive Officer and Director. Of this amount, \$108,000 represented the issuance of 5,400,000 common shares at a deemed price of \$0.02 per share (Note 4b) and issuance of 4,000,000 warrants to purchase common shares at a fair value of \$10,000 (Note 4c). In addition, the Company paid \$797 in benefits on behalf of the CEO and Director.
- b) During the period ended March 31, 2015, the Company paid \$39,715 for consulting fees to the former Corporate Secretary. Of this amount \$19,215 represented the issuance of 960,750 common shares at a deemed price of \$0.02 per share (Note 4b). In addition, the Company paid \$797 in benefits on behalf of the Corporate Secretary.
- c) During the period ended March 31, 2015, the Company paid \$35,247 for consulting fees to a director of the Company. Of this amount \$10,500 represented the issuance of 500,000 common shares at a deemed price of \$0.02 per share (Note 4b).
- d) During the period ended March 31, 2015, the Company issued 1,039,250 common shares at a deemed price of \$0.02 per share for a total of \$20,785 to settle a convertible debt with the former Corporate Secretary in the amount of \$20,785.
- e) During the period ended March 31, 2015, the Company issued 1,600,000 common shares at a deemed price of \$0.02 per share for a total of \$32,000 to settle a convertible debt in the amount of \$32,000, with an individual related to the CEO and Director.
- f) During the period ended June 30, 2015, the Company paid \$2,500 for consulting fees to the Chief Executive Officer and Director.
- g) During the period ended June 30, 2015, the Company paid \$2,500 for consulting fees to the former Corporate Secretary.
- h) During the period ended June 30, 2015, the Company paid \$15,200 for consulting fees to a director of the Company.
- i) As at June 30, 2015 a total of \$nil (March 31, 2015 - \$1,401) included in accounts payables is owed to the Chief Executive Officer. This amount is unsecured and non-interest bearing.
- j) As at June 30, 2015 a total of \$5,000 (March 31, 2015 - \$1,029) included in accounts payables is owed to a director of the Company. This amount is unsecured and non-interest bearing.
- k) As at June 30, 2015 a total of \$65,000 (March 31, 2015 - \$nil) included in promissory notes is owed to the Chief Executive Officer and Director (Note 8).

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

8. Promissory Notes

Pursuant to a Letter of Intent dated January 16, 2015, the Company borrowed \$470,000 from Grenadier Resource Corp. in return for eight promissory notes totaling \$470,000, payable on demand, bearing interest at 12% per annum. As at June 30, 2015 the principal amount of \$470,000 (March 31, 2015 - \$320,000) remained outstanding.

The Company borrowed \$65,000 from the CEO of the Company as evidenced by two promissory notes totaling \$65,000. The notes bear interest at 10% per annum and are payable on demand. As at June 30, 2015, the principal amount of \$65,000 (March 31, 2015 - \$nil) remained outstanding (Note 9).

9. Events After the Reporting Period

- a) On January 19, 2015, the Company entered into a Letter of Intent ("LOI"), with Grenadier Resource Corp. ("Grenadier"), an arms' length company listed on the Canadian Securities Exchange ("CSE"). On April 7, 2015 and as amended on June 23, 2015 the Company entered into a Share Exchange Agreement (the "Exchange Agreement") with Grenadier and the Company's shareholders.

Pursuant to the Exchange Agreement, Grenadier will acquire all the issued and outstanding shares of Laguna in exchange for issuance of Grenadier shares, which will result in Laguna becoming a wholly-owned subsidiary of Grenadier and the business of Laguna will become the business of Grenadier.

As part of this transaction, Grenadier has agreed to advance \$50,000 to Laguna which is due on demand if the transaction does not complete. The loan advance bears interest at the rate of 12% per annum, calculated and payable monthly. Up to a further \$500,000 with the same repayment terms may be advanced by Grenadier to Laguna prior to closing the transaction to fund Laguna's business operations. As at June 30, 2015, Grenadier had advanced \$470,000 to the Company.

It is contemplated that Grenadier will issue shares to the shareholders of Laguna, resulting in a change in control of Grenadier.

The Acquisition is subject to, among other things, approval of the shareholders of Grenadier and approval of Canadian Securities Exchange.

- b) On April 12, 2015 as amended May 29, 2015, the Company signed a letter of intent (the "NSE LOI") with Naturally Splendid Enterprises Ltd. ("NSE") (TSX-V: NSP, OTCQB: NSPDF, FRANKFURT: 50N) whereby the Company and NSE planned to enter into a research, development and manufacturing agreement for the purpose of pursuing mutually beneficial business opportunities in the hemp food products area (the "NSE Proposed Transaction"). Pursuant to the terms of the NSE Proposed Transaction, the Company would place an initial purchase order of \$100,000 for the HempOmega™ infused hemp protein formulations ("Laguna HempOmega™ Infused Protein Products").

LAGUNA BLENDS INC.

(Unaudited - Expressed in Canadian Dollars)

June 30, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

- c) On July 9, 2015, the Company and the CEO entered into a return to treasury agreement whereby 100 common shares of the Company issued to Mr. Gray on June 14, 2014 as founders shares were returned to the treasury of Laguna for the sole purpose of Laguna retiring the surrendered shares without any consideration.
- d) On July 16, 2015, the Company entered into an agreement with its CEO, whereby the CEO advanced a secured loan in the principal amount of \$250,000 to Laguna on the terms and conditions of the loan agreement. The loan is due and payable in full on July 16, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and the proceeds thereof.
- e) On July 28, 2015, the Company entered into a development and manufacturing agreement with NSE (the "NSE Agreement") which replaced and superseded the NSE LOI and placed the initial purchase order of \$100,000 for Laguna HempOmega™ Infused Protein Products. Pursuant to the NSE Agreement, NSE granted the Company (i) a non-exclusive, non-transferrable and royalty-free license to include the HempOmega™ trade-mark on the Laguna HempOmega™ Infused Protein Products, as specified on a white private label agreement, (ii) a worldwide exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products, dependent on Laguna achieving certain sales targets, and (iii) if Laguna does not achieve the sales targets, a worldwide and non-exclusive right to market, sell and distribute the Laguna HempOmega™ Infused Protein Products. Specifically, the Company must meet the following minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products: \$1,600,000 in the first year of the NSE Agreement, and \$4,500,000 in the second year of the NSE Agreement. Either party may terminate the NSE Agreement upon 60 days written notice to the other party. There can be no assurance that the Company will be able to meet the minimum gross sales targets for the Laguna HempOmega™ Infused Protein Products in order to retain exclusive rights to these products.
- f) On July 28, 2015, the Company and its CEO entered into a debt settlement and subscription agreement, whereby \$65,000 previously loaned by the CEO to the Company under two promissory notes and the interest thereon were settled by the issuance of 1,400,000 common shares of the Company to the CEO. Also, on this date, the CEO returned 1,400,000 common shares of the Company which were issued to the CEO pursuant to his consulting agreement with the Company to treasury for cancellation.
- g) On July 31, 2015, the Company entered into a loan agreement with an arm's length lender, whereby the lender advanced a secured loan in the principal amount of \$50,000 to the Company on the terms and conditions of the loan agreement. The loan is due and payable in full on July 31, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and proceeds thereof, which security ranks equally with the \$250,000 secured loan advanced by the Company's CEO. In connection with this loan, the Company's CEO transferred 50,000 warrants of the Company, previously issued to the CEO, to the lender.

SCHEDULE “C”

**PRO FORMA FINANCIAL STATEMENTS
OF THE NEW ISSUER AT JUNE 30, 2015**

[inserted as page following]

LAGUNA BLENDS INC.
PRO FORMA CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
June 30, 2015
Unaudited - Prepared by Management
(Expressed in Canadian dollars)

LAGUNA BLENDS INC.

Pro Forma Consolidated Statement of Financial Position

June 30, 2015

Expressed in Canadian Dollars

Unaudited - Prepared by Management

	Grenadier Resource Corp.	Laguna Blends Inc.		Pro Forma Adjustments and Eliminating Entries (See Notes)	Pro Forma Consolidated Laguna Blends Inc.
ASSETS					
Current					
Cash and cash equivalents	\$ 2,494	\$ 928	3.c 3.d	\$ 1,000,000 300,000	\$ 1,303,422
Loan receivable	470,000	-	3.e	(470,000)	-
Amounts receivable	27,646	17,980		-	45,626
Acquisition costs	23,366	-		(23,366)	-
Prepays	3,750	-		-	3,750
	527,256	18,908		806,634	1,352,798
Property, plant and equipment	62,159	-		-	62,159
	\$ 589,415	\$ 18,908		\$ 806,634	\$ 1,414,957
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 23,281	\$ 125,520	3.e	\$ (4,092)	\$ 144,709
Promissory notes	-	535,000	3.e 3.d 3.d	(470,000) (65,000) 300,000	300,000
	23,281	660,520		(239,092)	444,709
SHAREHOLDERS' DEFICIENCY					
Capital stock Par Value	-	28,300	3.a	(28,300)	-
Additional paid in capital	861,442	1,157,700	3.a 3.a 3.a 3.c 3.d	6,067,775 28,300 (861,442) 1,000,000 65,000	8,318,775
Reserve	416,893	10,300	3.a 3.a	441,000 (416,893)	451,300
Deficit	(712,201)	(1,837,912)	3.a 3.a 3.e	(5,942,641) 712,201 4,092 (23,366)	(7,799,827)
	566,134	(641,612)		1,045,726	970,248
	\$ 589,415	\$ 18,908		\$ 806,634	\$ 1,414,957

- See Accompanying Notes -

LAGUNA BLENDS INC.

Notes to Pro Forma Consolidated Statement of Financial Position

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1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position of Laguna Blends Inc. (the "Company" or "Laguna") have been prepared by management from the unaudited condensed interim financial statements of Laguna Blends Inc. for the three months ended June 30, 2015 and the unaudited condensed consolidated interim financial statements of Grenadier Resource Corp. ("Grenadier") for the three months ended June 30, 2015.

In management's opinion, the unaudited pro forma consolidated statement of financial position presents fairly in all material respects, and includes all material adjustments and assumptions necessary for the fair presentation in accordance with International Financial Reporting Standards. The accounting policies used in preparing the unaudited pro forma consolidated financial position are consistent with the accounting policies of the Company as at June 30, 2015 and Grenadier as at June 30, 2015.

The accompanying unaudited pro forma consolidated statement has been compiled for illustrative purposes by management to give effect to the assumptions and transaction described in Note 3 as if the transaction had been completed on June 30, 2015.

The unaudited pro forma consolidated statement of financial position as at June 30, 2015 has been prepared from information derived from the following:

- a) The unaudited condensed financial statements of Laguna as at June 30, 2015; and
- b) The unaudited condensed consolidated interim financial statements of Grenadier as at June 30, 2015.

The pro forma statement is not necessarily indicative of the financial position and financial results of the Company that would have occurred if the transaction described therein had taken place on June 30, 2015 or of the financial position or results of operation, which may be obtained in the future. The pro forma adjustments are based on available information and certain estimates and assumptions as described in the following notes. The pro forma statement should be read in conjunction with the historical financial statements referred to above.

The unaudited pro forma consolidated statement of financial position has been prepared for inclusion in a Listing Statement for the Resulting Issuer (as hereinafter defined) resulting from the Transaction (as hereinafter defined).

2. Proposed Transaction and Basis of Presentation

On January 19, 2015, the Company entered into a Letter of Intent ("LOI"), with Grenadier an arms' length company listed on the Canadian Securities Exchange ("CSE"). On April 7, 2015 and as amended on June 23, 2015 the Company entered into a Share Exchange Agreement (the "Exchange Agreement") with Grenadier and the Company's shareholders. The Exchange Agreement replaced and superseded the LOI. Pursuant to the Exchange Agreement, Grenadier will acquire all the issued and outstanding shares of Laguna in exchange for issuance of Grenadier shares (the "Transaction"). This Transaction will result in Laguna becoming a wholly-owned subsidiary of Grenadier following the Transaction (the "Resulting Issuer") and the business of Laguna will become the business of Grenadier.

The Exchange Agreement sets out a number of terms of the Transaction, including the following:

- Grenadier will issue Grenadier common shares to the shareholders of Laguna on a one-for-one basis to acquire all the outstanding shares of Laguna. As at June 30, 2015, Laguna had 27,660,100 shares outstanding.

LAGUNA BLENDS INC.

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- All options, warrants and any other rights to acquire shares of Grenadier will remain in effect.
- All options, warrants and any other rights to acquire shares of Laguna will be converted or exchange, as applicable, into equivalent rights in Grenadier.
- Upon completion of the Transaction and subject to obtaining all necessary corporate and regulatory approvals:
 - the common shares of the Resulting Issuer will be posted and listed for trading on the Canadian Securities Exchange; and
 - Grenadier is expected to change its name to Laguna Blends Inc. being the Resulting Issuer and all consolidated financial statements subsequent to the Transaction are expected to be reported under the new name.
- Before closing of the Transaction, Grenadier has agreed to advance up to \$550,000 to Laguna to fund Laguna business operations. The advance is due on demand of the Transaction does not complete. The loan advance bears interest at the rate of 12% per annum.

Subsequent to giving effect to the Transaction, the issued and outstanding share capital of the Resulting Issuer is expected to consist of approximately 48,086,361 common shares, undiluted. The former shareholders of Laguna common shares will hold 27,660,100 of the common shares of the Resulting Issuer, representing approximately 57.52% of the post-Transaction issued and outstanding shares of the Resulting Issuer.

On a fully diluted basis, total issued and outstanding share capital would consist of approximately 61,807,722 common shares. The former shareholders of Laguna common shares will hold approximately 33,510,000 of the common shares, representing approximately 54.22% of the post-Transaction issued and outstanding shares of the Resulting Issuer.

Because the former shareholders of the Laguna will obtain control of the Resulting Issuer, the Transaction is considered a purchase of Grenadier by Laguna and is accounted for as a reverse acquisition. This reverse acquisition is not a business combination and therefore is outside the scope of *IFRS 3 Business Combinations*. As Laguna has granted equity instruments in return for goods or services received, the transaction falls under the scope of *IFRS 2 Share Based Payment*. The consideration is based on the fair value of Grenadier's shares that were exchanged as this is the most reliable indicator of fair value. The consideration is recognized with a corresponding increase in the equity of Laguna.

LAGUNA BLENDS INC.**Notes to Pro Forma Consolidated Statement of Financial Position**

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3. Pro Forma Adjustments

The unaudited pro forma consolidated statement of financial position as at June 30, 2015 has been prepared assuming that the transactions below occurred on June 30, 2015.

- a. The unaudited pro forma consolidated statement of financial position gives effect to the acquisition of Grenadier's outstanding common shares by Laguna in accordance with accounting guidance pertaining to reverse acquisitions under IFRS. All of Grenadier's deficit and other equity balances prior to the Transaction are eliminated as follows:

• Additional paid in capital	\$	861,442
• Option reserve		416,893
• Deficit		712,201

The preliminary determination and allocation of the estimated purchase price is subject to change and is summarized below:

Purchase Price*Outstanding Common Shares of Grenadier*

Outstanding common shares of Grenadier (i)	16,854,932	
Price per share (i)	\$	0.36
		\$ 6,067,775

Fair value of Grenadier options

Total number outstanding (ii)	1,850,000	
Fair Value of options (ii)		441,000

Total Purchase Price	\$	6,508,775
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Preliminary estimate of allocation of purchase price

Net Working Capital (iii)	503,975
Equipment (iii)	62,159
Charge related to public company listing	5,942,641
Total Purchase Price	\$ 6,508,775

i. Grenadier Issued and Outstanding Shares

Based on Grenadier's issued and outstanding number of common shares of 16,854,932 and price of \$0.36 per share based on the market price of Grenadier shares on June 30, 2015.

ii. Options

As at June 30, 2015, Grenadier had 1,850,000 stock options outstanding. These options were valued as at June 30, 2015 at \$441,000 using the Black Scholes option pricing model with the following weighted average assumptions.

Risk-free interest rate	0.81%
Expected life of options	1.6 years
Expected volatility	100%
Dividend per share	\$0.00

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iii. Fair Market Value of Grenadier's Net Assets

The fair market value of Grenadier's net assets is estimated to be consistent with their carrying values.

iv. Par Value Capital Stock

The pro forma balance sheet assumes that the capital structure of the resulting entity will not have par value common stocks. Therefore, the par value of Laguna common stocks have been allocated to additional paid in capital.

b. Intercompany Loans

Pursuant to the terms of the LOI, during the period from January 1, 2015 to June 30, 2015, Grenadier advanced \$470,000 to Laguna which is repayable on demand if the Transaction does not complete. The pro forma statement of financial position reflects Grenadier's advance of \$470,000 to Laguna.

The loan advance bears interest at the rate of 12% per annum, calculated and payable monthly. Grenadier may make further advances with the same repayment terms to Laguna prior to closing of the Transaction, to fund Laguna's business operations.

c. Private Placement

Prior to completion of the Transaction, Grenadier is proposing to complete a financing (the "Financing") to issue up to 3,571,429 units (each a "Unit") at a price of Cdn \$0.28 per Unit for gross proceeds of up to \$1,000,000, all of which will be non-brokered. Each Unit will be comprised of one common share of Grenadier and one common share purchase warrant. Each Warrant will entitle the holder thereof to acquire one additional common share of Grenadier for a period of two years from the date of closing at an exercise price of \$0.50.

The warrant terms contain an acceleration provision, such that in the event Grenadier's shares trade at a price of \$0.60 or more for 20 consecutive trading days (the "Acceleration Event") then the expiry date of the warrants shall be accelerated and the warrants will become exercisable within 10 business days of the Acceleration Event occurring. A finder's fee of 8% may be paid to certain finders. All securities issued under the private placement are subject to a statutory four-month hold period from the date of issuance.

The proceeds from the private placement will be used for working capital, general corporate purposes and may be applied to the costs associated with completing the Transaction. All securities issued under the private placement will be subject to a statutory four-month hold period from the date of issuance.

d. Promissory Notes

On July 16, 2015, the Company entered into an agreement with its CEO, whereby the CEO advanced a secured loan in the principal amount of \$250,000 to Laguna on the terms and conditions of the loan agreement. The loan is due and payable in full on July 16, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and the proceeds thereof.

On July 31, 2015, the Company entered into a loan agreement with an arm's length lender, whereby the lender advanced a secured loan in the principal amount of \$50,000 to the Company on the terms

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and conditions of the loan agreement. The loan is due and payable in full on July 31, 2016. The loan bears interest at a rate of 10% per annum, which interest is payable monthly. The loan is secured against all present and after-acquired inventory of the Company and proceeds thereof, which security ranks equally with the \$250,000 secured loan advanced by the Company's CEO.

On July 28, 2015, the Company and its CEO entered into a debt settlement and subscription agreement, whereby \$65,000 previously loaned by the CEO to the Company under two promissory notes and the interest thereon were settled by the issuance of 1,400,000 common shares of the Company to the CEO. Also, on this date, the CEO returned 1,400,000 common shares of the Company which were issued to the CEO pursuant to his consulting agreement with the Company to treasury for cancellation.

e. Consolidation Entries

The pro forma consolidation reflects the elimination of the following intercompany balances:

- i) As at June 30, 2015, Laguna owes Grenadier \$470,000. This intercompany balance is eliminated on consolidation.
- ii) As at June 30, 2015, Laguna accrued \$4,092 in interest expense owed to Grenadier. This intercompany balance is eliminated on consolidation.

f. Shares cancelled

On July 9, 2015, the Company and the CEO entered into a return to treasury agreement whereby 100 common shares of the Company issued to Mr. Gray on June 14, 2014 as founders shares were returned to the treasury of Laguna for the sole purpose of Laguna retiring the surrendered shares without any consideration

4. Income Taxes

No value has been ascribed to any acquired tax losses carried forward by Grenadier as part of the reverse acquisition, as Grenadier is an exploration company and has no source of revenues, and it is not known whether future taxable profits will be available to utilize those losses prior to expiry.

The effective tax rate applicable to the consolidate operations will be 26%.

LAGUNA BLENDS INC.

Notes to Pro Forma Statement of Financial Position

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Note 5. Pro Forma Statement of Shareholders' Equity

	Share Capital Common Shares			Reserves	Accumulated Deficit	Total
	Number	Par Value \$	Additional Paid in Capital \$	\$	\$	\$
Balance per unaudited financial statements of Laguna Blends Inc. as at June 30, 2015	27,660,100	28,300	1,157,700	10,300	(1,837,912)	(641,612)
Balance per unaudited financial statements of Grenadier as at June 30, 2015	16,854,932	-	861,442	416,893	(712,201)	566,134
Reverse acquisition adjustment	-	(28,300)	(833,142)	(416,893)	712,201	(566,134)
Shares for debt	1,400,000	-	65,000	-	-	65,000
Shares cancelled	(1,400,100)	-	-	-	-	-
Shares of Laguna exchanged on reverse acquisition	(27,660,000)	-	-	-	-	-
Shares of Resulting Issuer issued on reverse acquisition	27,660,000	-	6,067,775	441,000	(5,942,641)	566,134
Units issued in Concurrent Financing	3,571,429	-	1,000,000	-	-	1,000,000
Acquisition Costs	-	-	-	-	(23,366)	(23,366)
Consolidation Elimination Entry	-	-	-	-	4,092	4,092
	48,086,361	-	8,318,775	451,300	(7,799,827)	970,248