FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: __Invictus MD Strategies Corp.______ (the "Issuer").

Trading Symbol: IMH

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 29, 2015.

Kelsey Chin
Name of Director or Senior Officer

"Kelsey Chin"
Signature

CFO
Official Capacity

<table>
<tr><td>Issuer Details
Name of Issuer

Invictus MD Strategies Corp.</td><td>For Quarter Ended
July 31, 2015</td><td>Date of Report
YY/MM/D
15/09/29</td></tr>
<tr><td colspan="3">Issuer Address

Suite 700 – 1155 W. Pender Street</td></tr>
<tr><td>City/Province/Postal Code

Vancouver, BC V6E 2P4</td><td>Issuer Fax No.
n/a</td><td>Issuer Telephone No.
(604) 719-5614</td></tr>
<tr><td>Contact Name

Kelsey Chin</td><td>Contact Position
CFO</td><td>Contact Telephone No.
604-719-5614</td></tr>
<tr><td>Contact Email Address

k.chin@invictus-md.com</td><td colspan="2">Web Site Address
www.invictus-md.com</td></tr>
</table>

Invictus MD Strategies Corp.

(formerly BioAB Strategies Ltd.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended July 31, 2015 and 2014

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The management of Invictus MD Strategies Corp. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. These unaudited condensed consolidated interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

"Dan Kriznic"	"Kelsey Chin"
Dan Kriznic Chief Executive Officer	Kelsey Chin Chief Financial Officer

September 29, 2015

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.)
Condensed interim consolidated statements of financial position
(Expressed in Canadian dollars)

	July 31, 2015	January 31, 2015
ASSETS		
Current		
Cash	**$ 469,922**	$ 350,214
Accounts receivable (Note 5)	**947,674**	13,668
Subscription receivable (Note 16)	**1,905**	-
Prepaid expenses (Note 6)	**137,171**	-
Deposits (Note 10)	**170,000**	32,314
Inventory (Note 7)	**1,609,907**	-
	3,336,579	396,196
Non-current		
Investments (Note 10)	**136,550**	-
Loans receivable (Note 10)	**47,727**	-
Property, plant and equipment (Note 8)	**34,362**	-
Intellectual property (Note 9)	**305,286**	-
Goodwill (Note 11)	**749,714**	-
	1,273,639	-
	$ 4,610,218	**$ 396,196**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	**$ 826,378**	$ 120,982
Loans payable (Note 13)	**393,002**	-
Non-current		
Convertible loan (Note 14)	**276,926**	-
	1,496,306	120,982
SHAREHOLDERS' EQUITY		
Share capital (Notes 4 and 16)	**3,205,942**	720,805
Contributed surplus	**598,721**	257,500
Subscriptions received	**-**	7,000
Equity portion of convertible debt (Note 14)	**68,361**	-
Non-controlling interest (Note 11)	**721,617**	-
Deficit	**(1,480,729)**	(710,091)
	3,113,912	275,214
	$ 4,610,218	**$ 396,196**

Nature of operations and going concern (Note 1)
Subsequent events (Note 20)

Approved and authorized for issuance on behalf of the Board on September 29, 2015:

"Dan Kriznic"
Director

"Drew Lawrenson"
Director

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.)
Condensed interim consolidated statements of comprehensive loss
For the periods ended July 31, 2015 and 2014
(Expressed in Canadian dollars)

	Three months ended July 31, 2015	Three months ended July 31, 2014	Six months ended July 31, 2015	From February 11, 2014, date of Incorporation to July 31, 2014
REVENUES	**$ 395,989**	$ -	**$ 396,489**	$ -
COST OF SALES	**237,847**	-	**237,847**	-
GROSS MARGIN	**158,142**	-	**158,642**	-
OPERATING EXPENSES				
Selling and marketing				
Investor relations	**98,261**	326	**170,018**	326
Sales and marketing	**128,632**	-	**142,530**	-
Travel	**24,036**	-	**49,171**	-
	250,929	326	**361,719**	326
General and administrative				
Filing and transfer agent	**10,692**	1,091	**19,223**	2,217
Freight and duty	**15,894**	-	**15,894**	-
Insurance	**14,666**	-	**14,666**	-
Meals and entertainment	**13,138**	-	**13,138**	-
Management fees (Note 15)	**2,124**	-	**79,374**	-
Office	**76,677**	-	**117,179**	-
Professional fees (Note 15)	**46,244**	23,013	**106,904**	24,513
Rent	**14,250**	-	**14,250**	-
Stock-based compensation	**18,997**	-	**26,434**	-
Wages	**55,516**	-	**55,516**	-
	268,198	24,104	**462,578**	26,730
OTHER ITEMS				
Share of loss of equity-accounted investees (Note 10 and 16)	**(41,483)**	-	**(62,020)**	-
Non-controlling interest	**2,750**	-	**2,750**	-
Foreign exchange	**(45,713)**	-	**(45,713)**	-
Net loss and comprehensive loss for the periods	**$ (445,431)**	**$ (24,430)**	**$ (770,638)**	**$ (27,056)**
Basic and diluted loss per common share	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding	**46,741,605**	5,508,421	**38,675,503**	3,296,388

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.)

Condensed interim consolidated statements of changes in equity

For the periods ended July 31, 2015 and 2014

(Expressed in Canadian dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Subscriptions Received $	Equity Portion of Convertible Debt $	Non-Controlling Interest $	Deficit $	Total $
Balance, February 11, 2014	**100**	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Redemption of shares pursuant to the Plan of Arrangement dated April 11, 2014	(100)	(1)	-	-	-	-	-	(1)
Net loss for the period	-	-	-	-	-	-	(27,056)	(27,056)
Shares issued pursuant to the Plan of Arrangement dated April 11, 2014	2,845,378	5,000	-	-	-	-	-	5,000
Expenses incurred by former parent pursuant to the Plan of Arrangement dated April 11, 2014	-	-	-	-	-	-	(33,333)	(33,333)
Private placement	5,000,000	200,000	-	-	-	-	-	200,000
Balance, July 31, 2014	**7,845,378**	**205,000**	**-**	**-**	**-**	**-**	**(60,389)**	**(144,611)**
Balance, January 31, 2015	**33,079,166**	**720,805**	**257,500**	**7,000**	**-**	**-**	**(710,091)**	**275,214**
Shares issued for Focus Distribution (Smokazon) acquisition (Note 10)	254,366	40,699	32,361	-	-	-	-	73,060
Shares issued for Prestige Worldwide Holdings acquisitions (Note 11)	1,710,000	239,400	-	-	-	-	-	239,400
Shares issued for Cannabis Health acquisition (Note 11)	1,000,000	170,000	48,045	-	-	-	-	218,045
Shares issued for Future Harvest Development acquisition (Note 11)	2,750,001	371,250	-	-	-	-	-	371,250
Non-controlling interest (Note 11)	-	-	-	-	-	724,367	-	724,367
Shares issued for consultation services (Note 16)	50,000	7,500	-	-	-		-	7,500
Shares issued for advisory services related to Future Harvest Development acquisition (Note 19)	40,850	6,128	-	-	-	-	-	6,128
Stock-based compensation (Note 16)	-	-	26,434	-	-		-	26,434
Shares issued for loan (Note 16)	333,333	50,000	-	-	-	-	-	50,000
Exercise of warrants (Note 16)	4,750,000	285,000	-	-	-	-	-	285,000
Private placements (net of share issuance costs) (Note 16)	10,554,002	1,315,160	234,381	(7,000)		-	-	1,542,541
Issuance of convertible debt (Note 14)	-	-	-	-	68,361	-	-	68,361
Total comprehensive loss for the period	-	-	-	-	-	(2,750)	(770,638)	(773,388)
Balance, July 31, 2015	**54,521,718**	**3,205,942**	**598,721**	**-**	**68,361**	**721,617**	**(1,480,729)**	**3,113,912**

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.)
Condensed interim consolidated statements of cash flows
For the periods ended July 31, 2015 and 2014
(Expressed in Canadian dollars)

		Six months ended July 31, 2015		From February 11, 2014, date of Incorporation to July 31, 2014
OPERATING ACTIVITIES				
Net loss and comprehensive loss for the period	**$**	**(770,638)**	**$**	**(27,056)**
Items not affecting cash:				
Stock-based compensation (Note 16)		**26,434**		-
Interest expense (Note 14 and Note 16 (l))		**50,000**		-
Foreign exchange		**14,723**		-
Shares issued pursuant to the Plan of Arrangement dated April 11, 2014		**-**		(33,333)
Share of loss of equity-accounted investees (Note 16)		**62,020**		-
Depreciation		**881**		-
Non-controlling interest (Note 11)		**(2,750)**		-
Changes in non-cash working capital items:				
Accounts receivables (Note 5)		**(36,319)**		(2,263)
Deposits (Note 10)		**(137,686)**		-
Prepaid expenses (Note 6 and 14)		**(67,153)**		(10,000)
Due from related parties (Note 15)		**25,249**		-
Inventory (Note 7)		**(77,221)**		-
Loan receivable (Note 10)		**-**		(40,000)
Accounts payable and accrued liabilities (Note 12)		**38,542**		24,019
Net cash used in operating activities		**(873,918)**		**(88,633)**
INVESTING ACTIVITIES				
Investments (Note 10)		**(125,510)**		-
Acquisition of FHD (60%) (Note 11)		**(967,875)**		-
Acquisition of VTL (Note 11)		**(1,200)**		-
Intellectual Property - Acquisitions of CHS (Note 9 and 11)		**(52,978)**		-
Intellectual Property (Note 11)		**(3,961)**		-
Net cash used in investing activities		**(1,151,524)**		**-**
FINANCING ACTIVITIES				
Exercise of warrants (Note 16)		**285,000**		-
Shares issued on acquisition of Antibiotic Related Technologies and cash		**-**		5,000
Private placements (Note 16)		**1,583,236**		200,000
Share issuance costs (Note 16)		**(33,195)**		-
Line of credit (Note 13)		**57,836**		-
Loans (Note 14)		**252,273**		-
Net cash provided by financing activities		**2,145,150**		**205,000**
Change in cash during the period		**119,708**		116,367
Cash, beginning of period		**350,214**		-
Cash, end of period	**$**	**469,922**	**$**	**116,367**

SUPPLEMENTARY CASH FLOW INFORMATION (Note 19)

1. NATURE OF OPERATIONS

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.) ("Invictus MD" or the "Company") was incorporated pursuant to the British Columbia Business Corporations Act on February 11, 2014. The Company is primarily engaged in the investment, acquisition, and development of synergistic businesses in an effort to increase and sustain growth and value. The Company's head office is located at 700-1155 West Pender Street, Vancouver, British Columbia, V6E 2P4.

On December 19, 2014 the Company entered into a definitive agreement pursuant to which the Company acquired all of the issued and outstanding securities of Greener Pastures Marihuana Dispensary Ltd. ("GPMD"). GPMD was incorporated on January 23, 2014 under the British Columbia Business Corporations Act. The transaction was carried out by way of a three-cornered amalgamation whereby a wholly-owned subsidiary of the Company ("Newco") amalgamated with GPMD to form a new corporate entity ("Amalco"). Upon completion of the amalgamation, Amalco, known as Greener Pastures Marihuana Dispensary Ltd., the continuing entity resulting from the amalgamation of Newco and GPMD. The former shareholders of GPMD were issued 21,979,120 common shares of the Company on the basis of one common share of the Company for every one GPMD common share held. Accordingly, this transaction was recorded as a reverse acquisition for accounting purposes, with GPMD being identified as the accounting acquirer. The resulting consolidated statements of financial position are presented as a continuance of GPMD and the comparative figures presented in the consolidated financial statements after the acquisition are those of GPMD.

Concurrent with this transaction, the Company changed its name to Invictus MD Strategies Corp., and effected a change in directors, management and business. The Company's common shares began trading on the Canadian Securities Exchange under the trading symbol "IMH" effective December 23, 2014. The Company's common shares also trade on the OTC under the symbol "IVITF", and the Frankfurt Stock Exchange under the symbol "8IS".

During the period ended July 31, 2015, the Company has earned revenues from its operations of $396,489, and as at July 31, 2015, has accumulated losses of $1,480,729. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of Greener Pastures Marihuana Dispensary Ltd., Cannabis Health Sciences Inc., Vitaleaf Management Inc., Prestige Worldwide Holdings Inc., Future Harvest Development Ltd., and Invictus MD Strategies Corp.

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

		Percentage owned*	
	Country of incorporation	**July 31, 2015**	**July 31, 2014**
Greener Pastures Marihuana Dispensary Ltd.	BC, Canada	100%	NA%
Cannabis Health Sciences Inc.	BC, Canada	100%	NA%
Vitaleaf Management Inc.	BC, Canada	100%	NA%
Prestige Worldwide Holdings Inc.	BC, Canada	100%	NA%
Future Harvest Development Ltd.	BC, Canada	60%	NA%

*Percentage of voting power is proportion to ownership.

Investments in associates (equity-accounted Investees)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting powers of another entity.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs.

The condensed interim consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

		Percentage owned	
	Country of incorporation	**July 31, 2015**	**July 31, 2014**
Focus Distribution LLC	MI, USA	35%	NA%
Edison Vape Co.	BC, Canada	40%	NA%

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

2. BASIS OF PREPARATION (continued)

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Critical accounting estimates

i. the assessment of indications of impairment of investments;
ii. the value for the consideration used in the calculation of the listing expense;
iii. the value of inventories carried at the lower of cost and net realizable value; and
iv. the measurement of deferred income tax assets and liabilities.

Critical accounting judgments

i. The determination of categories of financial assets and financial liabilities; and
ii. The evaluation of the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets and financial liabilities are recognized on the statements of condensed interim consolidated financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

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

Fair value through profit or loss - This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The company classifies its cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company classifies its deposits as loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Held-to-maturity - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company does not have any assets classified as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss. The Company does not have any assets held classified as available-for-sale.

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

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

Financial liabilities

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

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the condensed interim consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any financial liabilities classified as fair value through profit or loss.

Other financial liabilities - This category includes trade and other payables. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method. The company classifies its accounts payable as other financial liabilities.

Impairment of non-current assets

At each financial position reporting date, the carrying amounts of the Company’s assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset’s recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets (continued)

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

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

Inventory

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventories. The Company estimates net realizable value as the amount that inventories are expected to be sold while taking into consideration the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining market prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is apparent evidence of an increase in selling price then the amount of the write-down previously recorded is reversed. Storage costs, indirect administrative overhead, and certain selling costs related to inventories are expensed in the period incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is measured at cost less accumulated amortization and impairment losses. Amortization is provided using the following terms and method:

Manufacturing equipment	Straight-line, 5 years
Computer hardware	Straight-line, 3 years
Computer software	Straight-line, 5 years
Office equipment	Straight-line, 5 years
Shop equipment	Straight-line, 5 years
Leasehold improvements	Straight-line, 5 years

An asset's residual value, useful life and amortization method are reviewed at each financial year end and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and are recognized in profit or loss.

Construction in progress is transferred to equipment when the assets are available for use. Amortization of these transferred assets commences at that point.

Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Share-based payments

The stock option plan allows Company directors, executive officers, employees and consultants to acquire common shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity settled share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The fair value of employee options is measured at the grant date, and the fair value of non-employee options is measured at the date or over the period during which goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The fair value of each tranche of options granted, which do not vest immediately on grant, is recognized using the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payment expense is credited to the equity settled share-based payment reserve. If the options are later exercised, their fair value is transferred from the reserve to share capital.

When options expire, are cancelled or forfeited, the corresponding amount of share-based payment expense attributed to these options is reclassified from equity-settled share-based payment reserve to deficit.

Income taxes

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Recent accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning after February 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards adopted and effective February 1, 2014

As of February 1, 2014, the company adopted several new IFRS standards and amendments in accordance with the transitional provisions of each standard. The adoption of these standards did not have a significant impact on the financial statements of the Company.

The adoption of these standards did not impact the Company's financial statements.

i. Amendments to IAS 32 – *Financial instruments, presentation*
ii. Amendments to IAS 36 – *Impairment of assets*
iii. IFRIC 21 – *Levies*

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after February 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective February 1, 2016

IAS 16 – *Property, plant and equipment*

In May 2014, the IASB amended IAS 16, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for property, plant and equipment that is based on revenue that is generated by an activity that includes the use of an asset is not allowed. The Company is evaluating the effect, if any, the amendment to IAS 16 will have on the Company's financial statements.

IAS 38 – *Intangible assets*

In May 2014, the IASB amended IAS 38, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for intangible assets that is based on revenue that is generated by an activity that includes the use of an intangible asset is not allowed. Exceptions are allowed where the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The Company is evaluating the effect, if any, the amendment to IAS 38 will have on the Company's financial statements.

New accounting standards effective February 1, 2018

IFRS 9 – *Financial instruments, classification and measurement*

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 – *Financial instruments, classification and measurement* (continued)

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

4. REVERSE ACQUISITION AND LISTING EXPENSE

The transaction described in Note 1, for accounting purposes, is considered to be outside the scope of IFRS 3 - *Business Combinations* since Invictus MD had limited inputs, processes, and outputs – as defined by IFRS 3- prior to the transaction. Activities were limited to the management of cash resources and the maintenance of its stock exchange listing and did not constitute a business for accounting purposes. As a result, the transaction is accounted for in accordance with IFRS 2 - *Share-based Payment* whereby the Company is deemed to have issued shares in exchange for the net assets or liabilities together with its listing status at the fair value of the consideration received.

Since the issuance of common shares of the Company to the former shareholders of GPMD on closing the acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations plus liabilities assumed by the Company acquired on closing was expensed in the consolidated statement of comprehensive loss as a listing expense.

In connection with the transaction described above and in Note 1, the Company issued 500,000 common shares of the Company to a third-party as a finders' fee.

The listing expense is summarized as follows:

Fair value of share based consideration allocated:		
Deemed issuance of common shares and value of 5,000,000 warrants	$	385,109
Issuance of 500,000 common shares to finder		75,000
		460,109
Identifiable net assets acquired:		
Cash and cash equivalents		(446,690)
Other assets		(93,242)
Liabilities		432,567
		(107,365)
Professional fees related to the transaction		80,170
Total listing expense	**$**	**432,914**

(Expressed in Canadian dollars)

5. ACCOUNTS RECEIVABLE

		July 31, 2015		January 31, 2015
Input tax receivable	$	66,711	$	13,668
Trade receivables		880,963		-
Total	**$**	**947,674**	$	**13,668**

6. PREPAID EXPENSES

		July 31, 2015			January 31, 2015
Professional services	$	5,000	$	$	-
Investor relations		42,324			-
Interest expense (Note 14 and Note 16 (l))		50,000			-
Rent		2,880			-
Legal retainer		1,845			-
Other		35,122			-
Total	**$**	**137,171**	**$**	**$**	**-**

7. INVENTORY

		July 31, 2015		January 31, 2015
Inventory (carrying at cost)	$	1,609,907	$	-

Inventories are recorded at lower of cost or net realizable value. Costs include the purchase price plus additional costs necessary to bring each product to its current condition, net of discounts. The net realizable value is the estimated selling price during the ordinary course of business, less estimated costs required to complete the sale. Cost of inventory is determined using the weighted average method.

8. PROPERTY, PLANT AND EQUIPMENT

	As at July 31, 2015						January 31, 2015	
		Cost		Accumulated Amortization		Net Book Value		Net Book Value
Manufacturing equipment	$	29,160	$	(8,690)	$	20,470	$	-
Computer hardware		7,618		(1,733)		5,885		-
Office equipment		3,235		(730)		2,505		-
Shop equipment		5,657		(1,296)		4,361		-
Leasehold improvements		1,377		(236)		1,141		-
Total	**$**	**47,047**	**$**	**(12,685)**	**$**	**34,362**	**$**	**-**

(Expressed in Canadian dollars)

9. INTELLECTUAL PROPERTY

	As at July 31, 2015			January 31, 2015
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
Trademark	$ 22,101	$ -	$ 22,101	$ -
Patent	3,961	-	3,961	-
Meters schematics	8,201	-	8,201	-
Domain name	189,715	-	189,715	-
Journal issue rights	81,308	-	81,308	-
Total	**$ 305,286**	**$ -**	**$ 305,286**	**$ -**

10. INVESTMENT IN ASSOCIATES

The Edison Vape Co.

On January 26, 2015, the Company acquired 40% of the common shares of The Edison Vape Co. (“Edison”), by way of subscribing to 40,000 shares at a price of $0.001 per common share for cash consideration of $40 and providing a non-interest bearing shareholder’s loan of $40,000 to Edison. During the period, the Company has issued the $40,000 shareholder’s loan and satisfied the terms of the agreement. Pursuant to the transaction, upon completion of a 6-month development period, and for a period of 120 days following the completion of the development period, the Company will have the option to purchase the remaining 60% of the common shares of Edison. The option to purchase the remaining 60% will have a fixed price of $1.2 million, payable upon reaching certain milestones as outlined below:

(a) $10,000 to be paid in cash when the Company receives patent search information to allow the Company to proceed with development (paid);

(b) $10,000 to be paid in cash 30 days after the first payment date as described above (paid);

(c) $180,000 worth of Invictus MD shares 15 days following the end of the development period;

(d) $500,000 worth of Invictus MD shares upon Edison reaching cumulative gross sales of $2.5 million; and

(e) $500,000 worth of Invictus MD shares upon Edison achieving cumulative gross sales of $12.5 million.

A 3% perpetual royalty based on the gross sales once Edison has achieved a minimum of $500,000 in cumulative gross sales is also payable. The fixed price will be payable, at the election of the Company, either in cash or by way of a combination of cash and common shares of the Company, as outlined above.

The Company made $20,000 in payment in accordance to reaching milestones (a) and (b), which will be applied towards the purchase price should the Company exercise its option to acquire the remaining 60% of Edison.

(Expressed in Canadian dollars)

10. INVESTMENT IN ASSOCIATES (continued)

Focus Distribution LLC.

On February 3, 2015, the Company entered into a definitive agreement with Focus Distribution LLC, located in Southfield, Michigan, which operates as Smokazon.com ("Smokazon"), and the founders of Smokazon (the "Founders") pursuant to which the Company has acquired a 35% membership interest in Smokazon. Consideration for the 35% membership interest consisted of the following:

- cash payment of $120,000;
- issuance of 254,366 common shares; and
- issuance of 300,000 common share purchase warrants entitling the holders to purchase one common share of the Company at an exercise price of $0.50 per share for a period of 24 months from closing.

The Company also has the option to acquire an additional 14% membership interest in Smokazon after the initial acquisition at a price four times the earnings before interest, tax, depreciation, and amortization (EBITDA) for the 12 months prior to the exercise of this option.

Deposits

During the quarter ended July 31, 2015, the Company paid a refundable deposit of $150,000 to an arm's length party with regards to a potential agreement to acquire real estate. Under the terms of the agreement, and as of July 31, 2015, the deposit is now non-refundable, and may be applied to the total purchase price should the agreement proceed.

The table below summarizes the consideration exchanged for interest in the associates:

	The Edison Vape Co.		Focus Distribution LLC		Total	
Fair value of consideration at acquisition						
Cash	$	40	$	120,000	$	120,040
Common shares		-		40,699		40,699
Warrants		-		32,361		32,361
Transaction costs		529		4,943		5,472
		569		198,003		198,572
Company's share of associate's earnings/(loss) as of July 31, 2015	$	(19,063)	$	(42,959)	$	(62,022)

The table below summarizes the deposits and loan receivables in the associates:

	Deposits		Loan Receivable		Total	
The Edison Vape Co.	$	20,000	$	47,727	$	67,727
Focus Distribution LLC		-		-		-
Arm's length party.		150,000		-		150,000
		170,000		47,727		217,717

The Company's share of profit/(loss) in each of the investment in associates is outlined in Schedule A.

11. ACQUISITIONS

Cannabis Health Sciences Inc.

On February 11, 2015, the Company entered into a share purchase agreement with Cannabis Health Sciences Inc. ("Cannabis Health"), a British Columbia corporation, pursuant to which the Company has acquired all of the issued and outstanding common shares of Cannabis Health, representing a 100% interest in exchange for a cash payment of $52,500, the issuance of 300,000 incentive stock options, and the issuance of up to 1,000,000 common shares of the Company based on certain escrow provisions.

VitaLeaf Management Inc.

On March 31, 2015, the Company entered into a share purchase agreement with Cannabis Health Expo Inc. ("Cannabis Health Expo"), a British Columbia corporation, pursuant to which the Company has acquired all of the issued and outstanding common shares of Cannabis Health Expo, representing a 100% interest in exchange for cash payment of $1,200 and then changed the name to VitaLeaf Management Inc.

Prestige Worldwide Holdings Inc.

On March 3, 2015, the Company purchased a 100% interest in Prestige Worldwide Holdings Inc. ("Prestige") in exchange for 1,710,000 common shares to the shareholder of Prestige, which was subject to the concurrent closing of the initial acquisition of Future Harvest Development Ltd. ("Future Harvest"), and will issue additional common shares as Future Harvest achieves certain EBITDA milestones (up to an aggregate of 9,000,000 common shares), as outlined below:

(a) 1,822,500 Invictus shares if the Company acquires the first additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

- (i) 1,050,000 shares on the later of (i) December 31, 2015 and (ii) 45 days after Future Harvest achieves a $1 million EBITDA milestone (the "EBITDA $1 million Date"); and
- (ii) 772,500 shares on the later of (i) June 30, 2016 and (ii) 45 days after the EBITDA $1 million Date.

(b) 1,822,500 Invictus shares if the Company acquires the second additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

- (i) 607,500 shares on the later of (i) June 30, 2016 and (ii) 45 days after the EBITDA $1 million Date;
- (ii) 180,000 shares on the later of (i) June 30, 2016 and (ii) 45 days after Future Harvest achieves a $2 million EBITDA milestone (the "EBITDA $2 million Date"); and
- (iii) 1,035,000 shares on the later of (i) December 31, 2016 and (ii) 45 days after the EBITDA $2 million Date.

(c) 1,822,500 Invictus shares if the Company acquires the third additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

- (i) 525,000 shares on the later of (i) December 31, 2016 and (ii) 45 days after the EBITDA $2 million Date;

(ii) 690,000 shares on the later of (i) June 30, 2017 and (ii) 45 days after the EBITDA $2 million Date; and

(iii) 607,500 shares on the later of (i) June 30, 2017 and (ii) 45 days after Future Harvest achieves a $3 million EBITDA milestone (the “EBITDA $3 million Date”).

(d) 1,822,500 Invictus shares if the Company acquires the fourth additional block of 13.75% of the Future Harvest Shares, based on the following release schedule:

(i) 262,500 shares on the later of (i) June 30, 2017 and (ii) 45 days after the EBITDA $3 million Date; and

(ii) 1,560,000 shares on the later of (i) December 31, 2017 and (ii) 45 days after the EBITDA $3 million Date.

Future Harvest Development Ltd.

On March 3, 2015, the Company entered into an agreement to indirectly acquire, through its interest in Prestige, up to 75%, over a period of eight months, the common shares of Future Harvest, a company located in Kelowna, B.C., for an aggregate purchase price of up to $1,875,000.

As at the date of this report, the Company has acquired a total of 60% interest in Future Harvest by making the initial $500,000 payment on March 3, 2015; a subsequent payment of $343,750 on May 4, 2015 to acquire an additional 13.75%; and on June 30, 2015, accelerated its option to acquire an additional 26.25% by issuing 2,750,001 common shares of the Company at a deemed price of $0.135, and making a cash payment of $285,000 to the shareholders of Future Harvest. The Company has the option to acquire an additional 15% of Future Harvest shares by December 31, 2015.

(Expressed in Canadian dollars)

11. ACQUISITIONS

Future Harvest Development Ltd. (continued)

The table below summarizes the consideration exchanged for control and the determination of goodwill:

	Cannabis Health Sciences Inc.	VitaLeaf Management Inc.	Prestige Worldwide Holdings Inc.	Future Harvest Development Ltd.	Total
Fair value of consideration					
Cash	$ 52,500	$ 1,200	$ -	$ 1,128,750	$ 1,182,450
Common shares	170,000	-	239,400	371,250	780,650
Stock options	48,045	-	-	-	48,045
Transaction costs	478	-	-	95,665	96,143
	271,023	1,200	239,400	1,595,665	2,107,288
Implied value of non-controlling interest	-	-	-	1,063,776	1,063,776
Total implied value	$ 271,023	$ 1,200	$ 239,400	$ 2,659,441	$ 3,171,064
Fair value of identifiable net assets	271,023*	-	-	1,810,916	2,081,939
Goodwill	$ -	$ 1,200	$ 239,400	$ 848,525	$ 1,089,125
Non-controlling interest share of goodwill	-	-	-	339,411	339,411
Invictus MD's share of goodwill	**$ -**	**$ 1,200**	**$ 239,400**	**$ 509,114**	**$ 749,714**

*Allocated as Intellectual Property

The table below summarizes the changes of non-controlling interest in Future Harvest Development Ltd.:

Date of Acquisition	
Implied value of FHD	$ 2,659,441
Fair value of identifiable net assets	1,810,916
Non-controlling interest share of goodwill (40%)	339,411
Non-controlling interest (40%)	724,367
As of July 31, 2015	
Net loss of FHD	(6,847)
Non-controlling interest portion (40%)	(2,750)
Non-controlling interest as of July 31, 2015	$ 721,617

(Expressed in Canadian dollars)

12. ACCOUNTS PAYABLE AND LOANS PAYABLE

The components of accounts payable and accrued liabilities are comprised of the following:

		July 31, 2015		**January 31, 2015**
Accounts payable	$	805,124	$	90,559
Accrued liabilities		22,750		-
Due to (from) related parties (Note 15)		(1,496)		30,423
	$	**826,378**	**$**	**120,982**

13. LOANS PAYBLE

Loans payable are amounts received from a secured line of credit for Future Harvest Development Ltd. There were no specific terms of repayment on these advances. The interest rate is equal to the Bank's Prime Interest Rate plus 5.00 percent per annum. The maximum facility available amounts to $100,000 CND, and $390,000 USD.

14. CONVERTIBLE LOAN

In order to finance the accelerated acquisition of Future Harvest, the Company received a $300,000 secured and convertible non-interest-bearing loan from a company controlled by the CEO of the Company. The loan is convertible into common shares at the lender's option at a deemed price equal to $0.18.

For accounting purposes, the Loan contains both a liability component and an equity component, being the lender's conversion option to shares, which have been separately presented on the consolidated statement of financial position. The Company allocated the original $300,000 principal of the Loan to the individual liability and equity components by establishing the fair value of the liability component at the date of issue and then allocating the remaining balance of the net proceeds to the equity component. The fair value of the liability component was determined by discounting the stream of future payments of interest and principal amounts at the estimated prevailing market rate at the date of issuance of 13% for a debt instrument of similar maturity and credit quality but without any share conversion option for the lenders. Including the impact of the costs of issuance, applying the effective interest method, the liability component of the Loan bears an effective annual interest rate of 13%.

		July 31, 2015		**January 31, 2015**
Equity component	$	68,361	$	
Liability component, at the date of issuance		231,639		-
Accretion of interest		45,287		-
Liability component, end of period	$	276,926	$	

15. RELATED PARTY TRANSACTIONS

Key management compensation

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

During the six months ended July 31, 2015, the Company was charged $55,000 (2014 - $Nil) in management fees by a company controlled by the CEO of the Company. As of July 31, 2015, $15,750 remains outstanding.

During the six months ended July 31, 2015, the Company was charged $35,000 (2014 - $Nil) in management fees by a company controlled by the CFO of the Company. As of July 31, 2015, $5,250 remains outstanding.

During the six months ended July 31, 2015, the Company was charged $40,000 (2014 - $Nil) in management fees by a company controlled by the Vice President, Business Development of the Company. As of July 31, 2015, $4,200 remains outstanding.

As at July 31, 2015, $26,745 (January 31, 2015 - $Nil) was due from shareholders and officers for expenses paid on behalf of shareholders and officers of Future Harvest.

16. SHARE CAPITAL

Authorized Common Shares

The Company has an unlimited number of common shares without par value authorized for issuance.

Issued

<u>Prior to reverse acquisition:</u>

Invictus MD:

a) The Company entered into an agreement with Carrus Capital Corp. ("Carrus"). Under the terms of the arrangement, the Company received substantially all of Carrus' interest in antibiotic related technologies. As consideration for the antibiotic related technologies, the Company issued 2,845,378 common shares fair valued at $5,000 to Carrus.

b) On June 13, 2014, the Company issued 5,000,000, units for gross proceeds of $200,000, at a price of $0.04 per unit. Each unit is comprised of one common share and one share purchase warrants, exercisable to purchase one common share for one year at a price of $0.06.

GPMD:

c) On June 23, 2014, GPMD issued 21,979,120 common shares for gross proceeds of $109,825.

16. SHARE CAPITAL (continued)

Issued (continued)

<u>After reverse acquisition:</u>

d) On December 19, 2014, in connection with the transaction described in Note 1, the Company issued 21,979,120 common shares of the Company to the GPMD shareholders on the basis of one Invictus MD share for every one GPMD common share held. The Company also issued 500,000 common shares of the Company to a third-party as finders' fee.

e) In addition, the Company entered into an escrow agreement. Pursuant to the escrow agreement, 21,089,120 common shares were to be held in escrow, of which 10% were released on December 23, 2014, which was the date the common shares of the Company were listed and posted for trading on the exchange, and 15% will be released every six months thereafter to December 23, 2017. In addition, the shares held in escrow are subject to release provisions contingent on the Company reaching certain earnings milestones. As at July 31, 2015, 17,089,121 common shares are still held in escrow.

f) Concurrently, the Company completed a private placement of 2,754,667 common shares for gross proceeds of $413,200 at a price of $0.15 per common share. The Company incurred $5,000 of share issuance costs.

g) On March 5, 2015, the Company issued 50,000 common shares to a company that provided consultation services in relation to the Company's transaction described in Note 1. The shares are subject to a four-month hold from the date of issue.

h) On March 6, 2015, the Company closed a non-brokered private placement. The Company issued 5,133,333 common shares for gross proceeds of $770,000 at a price of $0.15. The shares issued are subject to a four-month hold from the date of issue.

i) On April 29, 2015, the Company closed the first tranche of a non-brokered private placement through the issuance of 3,277,166 units at $0.15 per unit for gross proceeds of $491,575. Each unit consists of one common share and one share purchase warrant exercisable at $0.25 for a period of 12 months from the date of issue. The Company paid finders' fees of $11,403 in cash and issued 76,020 share purchase warrants to acquire common shares on the same terms as the warrants issued to subscribers. The shares are subject to a four-month hold from the date of issue. On May 26, 2015, the Company closed the second and final tranche of the private placement through the issuance of 2,143,504 units at $0.15 per unit for gross proceeds of $321,526. Each Unit consists of one common share and one transferable share purchase warrant exercisable at $0.25 for a period of 12 months from the date of issue. Finder's fees paid in connection with the second tranche total $5,600 in cash, plus 37,333 finder's warrants to acquire common shares on the same terms as the warrants issued to subscribers. Included in subscriptions receivable is $1,905, which is due from an arm's length subscriber.

j) On June 25, 2015, the Company announced that it intends to enter into agreements with certain escrowed shareholders whereby approximately 16.4 million escrowed common shares will be voluntarily cancelled and replaced with Class A preferred shares, which will be subject to the same escrow release schedules. The Class A preferred shares will only become convertible into common shares if and when released from escrow. Following completion of the voluntary return of escrowed common shares, the Company anticipates the total number of common shares outstanding to be reduced by approximately 16.4 million shares..

k) On June 30th, 2015, the Company acquired, indirectly through its subsidiary, Prestige Worldwide Holdings Inc., an additional 26.25% of the shares of Future Harvest Development Ltd. pursuant to the purchase and sale agreement dated March 3, 2015. The Company's total interest in Future Harvest is now 60%. In exchange for the additional 26.25% of the shares of Future Harvest, the Company paid $285,000 in cash and, at the option of the Future Harvest shareholders, issued 2,750,001 shares at a deemed price of $0.135 per share. The Company has the option to acquire an additional 15% of the Future Harvest shares by

(Expressed in Canadian dollars)

December 31, 2015.

16. SHARE CAPITAL (continued)

Issued (continued)

__**After reverse acquisition (continued):**__

l) On June 30th, 2015, the Company received a $300,000 secured and convertible non-interest-bearing loan from the CEO of the Company (Note 14). As consideration for the loan, 333,333 bonus common shares were issued for the proceeds of $50,000. Due to the hold period of 4 months the proceeds of $50,000 is recorded as prepaid expenses (Note 6).

As of July 31, 2015, the total shares outstanding is 54,521,718.

Stock option plan

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 15% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. During the period, the Company granted options; the changes to the option schedule are indicated in below.

During the period ended July 31, 2015, the Company recognized share-based compensation of $26,434 (July 31, 2015 - $Nil) that was recorded in the condensed interim consolidated statement of comprehensive loss. Stock options were granted with a total fair value of $142,152.

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2016	2015
Risk-free interest rate	0.66%	-
Expected life	2.00 years	-
Volatility	160.22%	-
Dividend rate	-	-

a) On February 2, 2015, the Company issued 300,000 stock options exercisable at $0.15 expiring on February 2, 2020 for advisory services provided.

b) On February 11, 2015, the Company issued 300,000 stock options exercisable at $0.17 expiring on February 11, 2020 as part of a purchase agreement.

c) On March 11, 2015, the Company issued 150,000 stock options exercisable at $0.15 expiring on March 11, 2020 for advisory services provided.

d) On April 15, 2015, the Company issued 150,000 stock options exercisable at $0.15 expiring on April 15, 2020 for advisory services provided.

e) On April 21, 2015, the Company issued 150,000 stock options exercisable at $0.195 expiring on April 21, 2020 for advisory services provided.

(Expressed in Canadian dollars)

f) On April 29, 2015, the Company issued 250,000 stock options exercisable at $0.15 expiring on April 29, 2020 for advisory services provided.

16. SHARE CAPITAL (continued)

Stock option plan (continued)

g) On June 24, 2015, the Company issued 150,000 stock options exercisable at $0.15 expiring on June 24, 2020 for advisory services provided.

	Options outstanding		Weighted average exercise price	Weighted average remaining years
Balance, January 31, 2015	**-**	**$**	**-**	**-**
Options granted	1,450,000		0.14	4.13
Balance, July 31, 2015	**1,450,000**	**$**	**0.14**	**4.13**

A summary of the Company's options outstanding as of July 31, 2015 is as follows:

Options outstanding	Price per share	Expiry date
300,000	$ 0.15	February 2, 2020
300,000	0.17	February 11, 2020
150,000	0.15	March 11, 2020
150,000	0.15	April 15, 2020
150,000	0.195	April 21, 2020
250,000	0.15	April 29, 2020
150,000	0.15	June 24, 2020
1,450,000	$ 0.14	

Warrants

A continuity schedule of the Company's outstanding share purchase warrants for the period ended July 31, 2015 is as follows:

	Warrants outstanding		Weighted average exercise price	Weighted average remaining years
Balance, January 31, 2015	**5,000,000**	**$**	**0.06**	**0.34**
Warrants exercised	(4,750,000)		0.06	
Warrants expired	(250,000)		0.06	
Warrants granted – Private placement	3,277,166		0.25	0.75
Warrants granted – Private placement	2,143,504		0.25	0.82
Warrants granted – Finders' warrants	76,020		0.25	0.75
Warrants granted – Finders' warrants	37,333		0.25	0.82
Warrants granted – Smokazon acquisition	300,000		0.50	1.51
Balance, July 31, 2015	**5,834,023**	**$**	**0.17**	**0.42**

(Expressed in Canadian dollars)

16. SHARE CAPITAL (continued)

Warrants (continued)

At July 31, 2015, the Company had outstanding share purchase warrants exercisable to acquire common shares of the Company as follows:

Expiry date	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life (in years)
April 29, 2016	3,277,166	$ 0.25	0.42
February 4, 2017	300,000	$ 0.50	0.08
April 29, 2016	76,020	$ 0.25	0.01
May 26, 2016	2,180,837	$ 0.25	0.31
	5,834,023	$ 0.17	0.42

17. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable, and loans payable. The fair values of cash, accounts receivable, accounts payable, and loans payable approximate their carrying values because of their current nature.

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

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

The financial instruments recorded at fair value on the statements of financial position are comprised of cash which is measured using Level 1 of the fair value hierarchy. There were no significant transfers between Level 1 and Level 2. At July 31, 2015, the Company has no other financial instruments that require disclosure under the fair value hierarchy.

Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at July 31, 2015, the Company's exposure is the carrying value of the financial instruments.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

17. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained cash at July 31, 2015 in the amount of $469,922, in order to meet short-term business requirements. At July 31, 2015, the Company had accounts receivable of $947,674 and accounts payable and accrued liabilities of $826,378. All accounts payable and accrued liabilities are current.

Market risk

Market risk consists of currency risk and interest rate risk. These are discussed further below.

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. For the period ended July 31, 2015, the Company recorded a foreign exchange loss of $45,713.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

18. MANAGEMENT OF CAPITAL

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. The Company manages its liquidity to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of financial information. The Company defines capital as shareholders' equity. The Company's primary objective with respect to its capital management is to ensure that is has sufficient cash resources to fund its research and development program. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any externally imposed capital requirements.

19. SUPPLEMENTARY CASH FLOW INFORMATION

During the period ended July 31, 2015, the Company entered into the following non-cash transactions:

- 254,366 common shares, with a fair value of $40,699, and 300,000 share purchase warrants, with a fair value of $32,361, were issued to the founders of Focus Distribution LLC;
- 40,850 common shares, with a fair value of $6,127, were issued to a company for advisory services relating to the acquisition of Future Harvest Development Ltd.;
- 50,000 common shares, with a fair value of $7,500, were issued to a company for corporate advisory services;
- 1,710,000 common shares, with a fair value of $239,400, were issued to the shareholders of Prestige Worldwide Holdings Inc.; and
- 1,000,000 common shares, with a fair value of $170,000, and 300,000 stock options, with a fair value of $48,045, were issued to the shareholders of Cannabis Health Sciences Inc.;
- 2,750,001 common shares were issued to Future Harvest shareholders at a deemed price of $0.135 per share.
- 333,333 common shares were issued to the CEO of the Company at a deemed price of $0.15 per share.

20. SUBSEQUENT EVENTS

On September 19th, 2015 the Company has announced that it has settled outstanding debt of $14,300 as owed to one creditor, through the issuance of 114,400 common shares at a deemed price of 12.5 cents per share. The shares are subject to a hold period and may not be traded until January 16, 2016.

(Expressed in Canadian dollars)

Schedule A - Investment in Associates

Associate	Reporting quarter ended	Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	Income	Expenses	Profit / (Loss)	Share of net assets	Share of profit / (loss)
Edison Vape	07/31/2015	40%	3,929	14,611	18,539	10,000	40,000	50,000	(31,461)	-	31,621	(31,621)	(12,584)	(12,648)
Focus Distributions	07/31/2015	35%	6,898	16,000	22,898	6,007	-	6,007	16,892	93,784	176,169	(82,385)	5,912	(28,835)
			10,827	30,611	41,437	16,007	40,000	56,007	(14,569)	93,784	207,790	(114,006)	(6,672)	(41,483)

Associate	Reporting quarter ended	Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	Income	Expenses	Profit / (Loss)	Share of net assets	Share of profit / (loss)
Edison Vape	04/30//2015	40%	19,451	14,611	34,061	10,000	40,000	50,000	(15,938)	-	16,038	(16,038)	(6,375)	(6,415)
Focus Distributions	04/30/2015	35%	38,895	22,000	60,895	1,590	-	1,590	59,305	59,683	100,039	(40,356)	20,757	(14,124)
			58,346	36,611	94,956	11,590	40,000	51,590	(43,367)	59,683	116,077	(-56,394)	14,382	(20,539)

EFFECTIVE DATE

The following discussion is management's assessment and analysis of the results of operations and financial conditions of Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.), ("Invictus" the "Company", "we", "our") and should be read in conjunction with the accompanying condensed interim consolidated financial statements and related notes thereto for the period ended July 31, 2015.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

All financial information in this MD&A related to 2016 and 2015 has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is September 29, 2015.

BUSINESS OVERVIEW

Invictus MD Strategies Corp. (formerly BioAB Strategies Ltd.) was incorporated under the British Columbia *Business Corporations Act* on February 11, 2014. The Company was primarily engaged in the acquisition of bio-pharmaceutical assets to build and generate profits, and has since changed its business to focus primarily on the investment, acquisition, and development of synergistic businesses in an effort to increase and sustain growth, value, and profits. The Company's head office is located at 700-1155 West Pender Street, Vancouver, British Columbia, V6E 2P4.

On December 19, 2014 the Company entered into a definitive agreement pursuant to which the Company acquired all of the issued and outstanding securities of Greener Pastures Marihuana Dispensary Ltd. ("GPMD"). GPMD was incorporated on January 23, 2014 under the British Columbia Business Corporations Act. The transaction was carried out by way of a three-cornered amalgamation whereby a wholly-owned subsidiary of the Company ("Newco") is amalgamated with GPMD to form a new corporate entity ("Amalco"). Upon completion of the amalgamation, Amalco was known as Greener Pastures Marihuana Dispensary Ltd., the continuing entity resulting from the amalgamation of Newco and GPMD. The former shareholders of GPMD were issued 21,979,120 common shares of the Company on the basis of one common share of the Company for every one GPMD common share held. Accordingly, this transaction was recorded as a reverse acquisition for accounting purposes, with GPMD being identified as the accounting acquirer. The resulting consolidated statements of financial position are presented as a continuance of GPMD and the comparative figures presented in the consolidated financial statements after the acquisition are those of GPMD.

Concurrent with this transaction, the Company changed its name to Invictus MD Strategies Corp., and effected a change in directors, management and business. The Company's common shares began trading on the Canadian Securities Exchange under the trading symbol "IMH" effective December 23, 2014. The Company's common shares also trade on the OTC under the symbol "IVITF", and the Frankfurt Stock Exchange under the symbol "8IS".

During the period ended July 31, 2015, the Company has earned revenues from its operations of $396,489, and as at July 31, 2015, has accumulated losses of $1,480,729. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

On June 15, 2015, the Company completed its listing process in the United States on the OTC Markets and is currently trading under the symbol IVITF. In connection with the recent U.S. listing, the company has also secured DTC eligibility by the Depository Trust Company for its shares; the Company is also trading in Frankfurt under the symbol 8IS and will continue to trade on the Canadian Securities Exchange under the symbol IMH.

On June 25, 2015, the Company announced that the shareholders of the Company approved all matters at its annual general meeting held on June 24, 2015, as follows:

(i) setting the number of directors at three;
(ii) the election of Dan Kriznic, Drew Lawrenson, and Colin Kinsley as directors of the Company for the ensuing year;
(iii) the appointment of Manning Elliott LLP as auditor of the Company for the ensuing year; and
(iv) the creation of a new class of non-voting and non-participating preferred shares (the "Class A Preferred Shares").

The Company intends to enter into agreements with certain escrowed shareholders whereby approximately 16.4 million escrowed common shares will be voluntarily cancelled and replaced with Class A Preferred Shares, which will be subject to the same escrow release schedules. The Class A Preferred Shares will only become convertible into common shares if and when released from escrow. As of the date of this report, the voluntary return of escrowed common shares and the creation of Class A Preferred Shares are being finalized, and Invictus MD anticipates completion in October 2015.

On June 30, 2015, the Company accelerated its option to acquire an additional 26.25% interest in Future Harvest Development Ltd. ("Future Harvest"), bringing the Company's total ownership to 60%. In consideration for the additional equity interest, the Company issued 2,750,001 common shares at a deemed price of $0.135, and made a cash payment in the amount of $285,000 to the shareholders of Future Harvest. The Company has the option to acquire the remaining 15% of Future Harvest by December 31, 2015.

SUMMARY OF QUARTERLY RESULTS

The following table provides summary financial data from February 11, 2014, date of incorporation to July 31, 2015 prepared in accordance with IFRS:

Quarter	Total revenues	Loss before other items	Loss and comprehensive loss	Basic and diluted loss per common share	Weighted average number of shares
July 31, 2015	395,989	360,985	465,968	(0.02)	46,741,605
April 30, 2015	500	304,670	291,107	(0.01)	34,523,720
January 31, 2015	-	218,365	651,279	(0.08)	8,996,208
October 31, 2014	-	29,568	29,568	(0.00)	7,845,378
July 31, 2014	-	27,056	27,056	(0.01)	5,508,421
April 30, 2014	-	-	-	-	720,349
January 31, 2014	-	-	2,188	N/A	1

INVESTMENT IN ASSOCIATES

The Edison Vape Co.

On January 26, 2015, the Company acquired 40% of the common shares of The Edison Vape Co. ("Edison"), by way of subscribing to 40,000 shares at a price of $0.001 per common share for cash consideration of $40 and providing a non-interest bearing shareholder's loan of $40,000 to Edison. During the period, the Company has issued the $40,000 shareholder's loan and satisfied the terms of the agreement. Pursuant to the transaction, upon completion of a 6-month development period, and for a period of 120 days following the completion of the development period, the Company will have the option to purchase the remaining 60% of the common shares of Edison. The option to purchase the remaining 60% will have a fixed price of $1.2 million, payable upon reaching certain milestones as outlined below:

(a) $10,000 to be paid in cash when the Company received patent search information to allow the Company to proceed with development (paid);

(b) $10,000 to be paid in cash 30 days after the first payment date as described above (paid);

(c) $180,000 worth of Invictus MD shares 15 days following the end of the development period;

(d) $500,000 worth of Invictus MD shares upon Edison reaching cumulative gross sales of $2.5 million; and

(e) $500,000 worth of Invictus MD shares upon Edison achieving cumulative gross sales of $12.5 million.

A 3% perpetual royalty based on the gross sales once Edison has achieved a minimum of $500,000 in cumulative gross sales is also payable. The fixed price will be payable, at the election of the Company, either in cash or by way of a combination of cash and common shares of the Company, as outlined above.

The Company made $20,000 in payment in accordance to reaching milestones (a) and (b).

Edison is engaged in the design, development, patenting, manufacturing, and distribution of a new and improved system for consumption of herbal materials using vaporizer technology with disposable cartridges.

The investment in The Edison was intended to provide a revenue generating business upon successful commercialization of the product. To date, the initial prototype has been completed, management has travelled to China to meet with a manufacturer, and financing opportunities and distribution partners are being sought.

On May 4, 2015, Edison received filing confirmation of a U.S. provisional patent for the invention of its vaporizer apparatus, device and methods.

Focus Distribution LLC.

On February 3, 2015, the Company entered into a definitive agreement with Focus Distribution LLC, located in Southfield, Michigan, which operates as Smokazon.com ("Smokazon"), and the founders of Smokazon (the "Founders") pursuant to which the Company has acquired a 35% membership interest in Smokazon. Consideration for the 35% membership interest consisted of the following:

- cash payment of $120,000;
- issuance of 254,366 common shares; and

- Issuance of 300,000 common share purchase warrants entitling the holders to purchase one common share of the Company at an exercise price of $0.50 per share for a period of 24 months from closing.

The Company also has the option to acquire an additional 14% membership interest in Smokazon after the initial acquisition at a price four times the earnings before interest, tax, depreciation, and amortization (EBITDA) for the 12 months prior to the exercise of this option

The investment in Smokazon, an online retailer of aromatherapy products with approximately 120,000 unique monthly visitors to their online store and 5,500 registered users on their blog, was intended to utilize and grow their existing distribution in an effort to increase sales. To date, the Company has been implementing a new digital marketing program and partnership program in an effort to increase brand recognition and sales.

Deposits

During the quarter ended July 31, 2015, the Company paid a refundable deposit of $150,000 to an arm's length party with regards to a potential agreement to acquire real estate. Under the terms of the agreement, and as of July 31, 2015, the deposit is now non-refundable, and may be applied to the total purchase price should the agreement proceed.

The table below summarizes the consideration exchanged for interest in the associates:

	The Edison Vape Co.	Focus Distribution LLC	Total
Fair value of consideration at acquisition			
Cash	$ 40	$ 120,000	$ 120,040
Common shares	-	40,699	40,699
Warrants	-	32,361	32,361
Transaction costs	529	4,943	5,472
	569	198,003	198,572
Company's share of associate's earnings/(loss)	$ (12,648)	$ (28,835)	$ (41,483)

The Company's share of profit/(loss) in each of the investment in associates is outlined in Schedule A.

ACQUISITIONS

Cannabis Health Sciences Inc.

On February 11, 2015, the Company entered into a share purchase agreement with Cannabis Health Sciences Inc. ("Cannabis Health"), a British Columbia corporation, pursuant to which the Company has acquired all of the issued and outstanding common shares of Cannabis Health, representing a 100% interest in exchange for a cash payment of $52,500, the issuance of 300,000 incentive stock options, and the issuance of up to 1,000,000 common shares of the Company based on certain escrow provisions.

The Company acquired Cannabis Health in order to create a marketing tool for the Company's verticals as well as to create additional revenue to improve cash flows. To date, Cannabis Health has re-launched their website and blog, and is working towards completion of the first full issue of the re-launched Cannabis Health Journal, available in both print and digital formats. The Cannabis Health Journal, focused on educating patients, suppliers, and the medical community, will provide the Company with advertising and affiliate revenue and is intended to serve as a marketing tool for the Company's investment portfolio.

VitaLeaf Management Inc.

On March 31, 2015, the Company entered into a share purchase agreement with Cannabis Health Expo Inc. ("Cannabis Health Expo"), a British Columbia corporation, pursuant to which the Company has acquired all of the issued and outstanding common shares of Cannabis Health Expo, representing a 100% interest in exchange for cash payment of $1,200 and then changed the name to VitaLeaf Management Inc. ("VitaLeaf"). VitaLeaf was developed to be the Company's patient management and education vertical. VitaLeaf is currently still in development, with an anticipated official launch being planned in the near future. To date, VitaLeaf has been developing its website, has completed an eBook focused on education and history of medical cannabis, and has completed a number of patient and doctor interviews. VitaLeaf's objective is to be a reliable source for patient education and services within the medical cannabis industry.

Prestige Worldwide Holdings Inc.

On March 3, 2015, the Company purchased a 100% interest in Prestige Worldwide Holdings Inc. ("Prestige") in exchange for 1,710,000 common shares to the shareholder of Prestige, which was subject to the concurrent closing of the initial acquisition of Future Harvest Development Ltd. ("Future Harvest"), and will issue additional common shares as Future Harvest achieves certain EBITDA milestones (up to an aggregate of 9,000,000 common shares), as outlined below:

(a) 1,822,500 Invictus shares if the Company acquires the first additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

(i) 1,050,000 shares on the later of (i) December 31, 2015 and (ii) 45 days after Future Harvest achieves a $1 million EBITDA milestone (the "EBITDA $1 million Date"); and

(ii) 772,500 shares on the later of (i) June 30, 2016 and (ii) 45 days after the EBITDA $1 million Date.

(b) 1,822,500 Invictus shares if the Company acquires the second additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

(i) 607,500 shares on the later of (i) June 30, 2016 and (ii) 45 days after the EBITDA $1 million Date;

(ii) 180,000 shares on the later of (i) June 30, 2016 and (ii) 45 days after Future Harvest achieves a $2 million EBITDA milestone (the "EBITDA $2 million Date"); and

(iii) 1,035,000 shares on the later of (i) December 31, 2016 and (ii) 45 days after the EBITDA $2 million Date.

(c) 1,822,500 Invictus shares if the Company acquires the third additional block of 13.75% of the Future Harvest shares, based on the following release schedule:

(i) 525,000 shares on the later of (i) December 31, 2016 and (ii) 45 days after the EBITDA $2 million Date;

(ii) 690,000 shares on the later of (i) June 30, 2017 and (ii) 45 days after the EBITDA $2 million Date; and

(iii) 607,500 shares on the later of (i) June 30, 2017 and (ii) 45 days after Future Harvest achieves a $3 million EBITDA milestone (the "EBITDA $3 million Date").

(d) 1,822,500 Invictus shares if the Company acquires the fourth additional block of 13.75% of the Future Harvest Shares, based on the following release schedule:

    (i) 262,500 shares on the later of (i) June 30, 2017 and (ii) 45 days after the EBITDA $3 million Date; and
    (ii) 1,560,000 shares on the later of (i) December 31, 2017 and (ii) 45 days after the EBITDA $3 million Date.

Future Harvest Development Ltd.

Future Harvest, based out of Kelowna, B.C., has been operating for over 20 years as a manufacturer and distributor of innovative products and solutions for the hydroponic and indoor growing industries. Their product line is available through leading distributors and retailers across North America, the United Kingdom and Europe. Future Harvest's product lines include SunBlaster Lighting™, Nutradip, Plantlife Products and Future Harvest Plastics, as well as the Nano-Dome and Grow Light Garden systems currently sold at major hardware and home garden centers across North America.

SunBlaster Lighting™ has introduced a variety of innovative lighting products to both the hydroponic and In Door growing industries. SunBlasters T5HO lighting fixtures, and CFL self ballasted lamps are industry leaders and a great example of Future Harvest's commitment to providing customers with the best possible lighting for all their growing needs.

Future Harvest has been manufacturing metering and monitoring equipment for over fifteen years. Their most popular and industry standard is the Trimeter, made famous because a single glance tells you if your pH, nutrients and temperatures are on target. All Nutradip and SunBlaster products are developed, designed, tested and assembled in Canada.

Plantlife Products consists of 29 proprietary formulas that offer growers the leading edge in sediment free plant nutrition. Every product has been developed and tested in-house by Future Harvest's own plant scientists.

On March 3, 2015, the Company entered into an agreement to indirectly acquire, through its interest in Prestige, up to 75%, over a period of eight months, the common shares of Future Harvest for an aggregate purchase price of up to $1,875,000. As at the date of this report, the Company has acquired a total of 33.75% interest in Future Harvest by making the initial $500,000 payment and a subsequent payment of $343,750 on May 4, 2015. In order to purchase the remaining interest, the Company can make payments of $343,750 for each 13.75% interest.

On June 24, 2015, the Company has accelerated its option to acquire, indirectly through its subsidiary, Prestige Worldwide Holdings Inc., an additional 26.25% of the shares of Future Harvest Development Ltd. pursuant to the purchase and sale agreement dated March 3, 2015. On June 30, 2015, the Company has acquired, indirectly through its subsidiary, Prestige Worldwide Holdings Inc., an additional 26.25% of the shares of Future Harvest Development Ltd pursuant to the purchase and sale agreement dated March 3, 2015. The Company's total interest in Future Harvest is now 60%. In exchange for the additional 26.25% of the shares of Future Harvest, the Company paid $285,000 in cash and, at the option of the Future Harvest shareholders, issued 2,750,001 shares at a deemed price of $0.135 per share. The Company has the option to acquire an additional 15% of the Future Harvest shares by December 31, 2015.

The acquisition of Prestige, and the concurrent initial acquisition of Future Harvest was completed in order to provide added value to shareholders by way of increasing EBITDA and sales targets. To date, the Company has exercised its option to increase its ownership in Future Harvest (through Prestige) and now owns 60% of Future Harvest. Future Harvest has approximately $5 million in revenue and approximately $700,000 in normalized EBITDA for their most recent year-ended June 30, 2015, and the Company is working with Future Harvest management to improve and streamline processes, increase brand recognition, develop new products, decrease expenses, and increase sales. Since the initial acquisition of Future Harvest, we have seen record-breaking sales and have launched new products to great success.

During the period ended July 31, 2015, Future Harvest had its NanoDome formally patented in Canada, and launched its newest Nutradip product, the "GrowBoss". The Sunblaster NanoDome is a key component in one of Future Harvest's best-selling products, the Mini Greenhouse kit, and the GrowBoss is a nutrient monitoring system that assists growers in achieving maximum results. The GrowBoss is a constant monitoring meter that indicates to the grower the exact levels of nutrient strength, pH and temperature. This allows the grower to adjust and optimize each parameter as the crop progresses through each growth cycle.

The table below summarizes the consideration exchanged for control and the determination of goodwill:

	Cannabis Health Sciences Inc.	VitaLeaf Management Inc.	Prestige Worldwide Holdings Inc.	Future Harvest Development Ltd.	Total
Fair value of consideration					
Cash	$ 52,500	$ 1,200	$ -	$ 1,128,750	$ 1,182,450
Common shares	170,000	-	256,500	371,250	797,750
Stock options	48,045	-	-	-	48,045
Transaction costs	478	-	-	95,665	96,143
	271,023	1,200	256,500	1,595,665	2,124,388
Implied value of non-controlling interest	-	-	-	1,063,776	1,063,776
Total implied value	$ 271,023	$ 1,200	$ 256,500	$ 2,659,441	$ 3,188,164
Fair value of identifiable net assets	271,023*	-	-	1,810,916	2,081,939
Goodwill	$ -	$ 1,200	$ 256,500	$ 848,525	$ 1,106,225
Non-controlling interest share of goodwill	-	-	-	339,411	339,411
Invictus MD's share of goodwill	**$ -**	**$ 1,200**	**$ 256,500**	**$ 509,114**	**$ 766,814**

*Allocated as Intellectual Property.

The table below summarizes the changes of non-controlling interest in Future Harvest Development Ltd.:

Date of Acquisition	
Implied value of FHD	$ 2,659,441
Fair value of identifiable net assets	1,810,916
Non-controlling interest share of goodwill (40%)	339,411
Non-controlling interest (40%)	724,367
As of July 31, 2015	
Net loss of FHD	(6,847)
Non-controlling interest portion (40%)	(2,750)
Non-controlling interest as of July 31, 2015	$ 721,617

RESULTS OF OPERATIONS

For the six months ended July 31, 2015

During the six months ended July 31, 2015, the Company incurred a loss and comprehensive loss of $770,638 (2014 - $27,056). The comparative results between the periods ended July 31, 2015 and 2014 are as expected, given the increased activity during the current year as compared to the previous year when the Company was inactive.

The significant difference between the comparative periods was primarily due to the following:

- During the six months ended July 31, 2015, the Company generated revenues of $396,489, as compared to $Nil during the same period in 2014. It has incurred cost of sales of $237,847 during the current period (2014 - $Nil). The increase is primarily due to the Company acquiring majority control of Future Harvest on June 30, 2015. Accordingly, the revenue and expenses of Future Harvest for the month of July 2015 have been included in the consolidated financial statements.
- During the six months ended July 31, 2015, the Company incurred $361,719 for selling and marketing expenses, as compared to $326 during the same period in 2014. This increase is primarily due to the increased activity of the Company with respect to investor relations and corporate advisory activities, and is primarily due to the costs associated with Future Harvest's sales and marketing activities.
- General and administrative expenses of $462,578 were incurred for the six months ended July 31, 2015 as compared to $26,730 during the same period in 2014. This increase is expected, given the high level of corporate activity during the period ended July 31, 2015, as well as the inclusion of Future Harvest's expenses following the acquisition of majority control by the Company.

For the three months ended July 31, 2015

During the three months ended July 31, 2015, the Company incurred a loss and comprehensive loss of $445,431 (2014 - $24,430. The comparative results between the periods ended July 31, 2015 and 2014 are as expected, given the increased activity during the current year as compared to the previous year when the Company was inactive. The significant difference between the comparative periods was primarily due to the following:

- During the three months ended July 31, 2015, the Company generated revenues of $395,989, as compared to $Nil during the same period in 2014. It has incurred cost of sales of $237,847 during the current period (2014 - $Nil). The increase is primarily due to the Company acquiring majority control of Future Harvest on June 30, 2015. Accordingly, the revenue and expenses of Future Harvest for the month of July 2015 have been included in the consolidated financial statements.
- During the three months ended July 31, 2015, the Company incurred $250,929 for selling and marketing expenses, as compared to $326 during the same period in 2014. This increase is primarily due to the increased activity of the Company with respect to investor relations and corporate advisory activities, and is primarily due to the expenses incurred through Future Harvest for sales and marketing activities.
- General and administrative expenses of $268,198 were incurred for the three months ended July 31, 2015 as compared to $24,104 during the same period in 2014. This increase is expected, given the high level of corporate activity during the period ended July 31, 2015, as well as the inclusion of Future Harvest's expenses following the acquisition of majority control by the Company.

SECOND QUARTER

During the quarter ended July 31, 2015, the following significant transactions occurred:

- On May 4, 2015, the Company acquired an additional 13.75% of shares of Future Harvest Development Ltd. ("Future Harvest"), in exchange for a cash payment of $343,750 pursuant to the purchase and sale agreement dated March 3, 2015. This acquisition brings the Company's total interest in Future Harvest to 33.75%.

- On May 26, 2015, the Company closed the second tranche of a non-brokered private placement through the issuance of 2,143,504 units at $0.15 per unit for gross proceeds of $321,526. Each unit consists of one common share and one share purchase warrant exercisable at $0.25 for a period of 12 months from the date of issue. The Company paid finders' fees of $5,600 in cash and issued 37,333 finders share purchase warrants to acquire common shares on the same terms as the warrants issued to subscribers. The shares are subject to a four-month hold from the date of issue.

- On June 25, 2015, the Company announced that it intends to enter into agreements with certain escrowed shareholders whereby approximately 16.4 million escrowed common shares will be voluntarily cancelled and replaced with Class A preferred shares, which will be subject to the same escrow release schedules. The Class A preferred shares will only become convertible into common shares if and when released from escrow. Following completion of the voluntary return of escrowed common shares, the Company anticipates the total number of common shares outstanding to be reduced to approximately 35,038,384.

- On July 2, 2015, the Company has acquired, indirectly through its subsidiary, Prestige Worldwide Holdings Inc., an additional 26.25% of the shares of Future Harvest Development Ltd. ("Future Harvest") pursuant to the purchase and sale agreement dated March 3, 2015. The Company's total interest in Future Harvest is now 60%. In exchange for the additional 26.25% of the shares of Future Harvest, the Company paid $285,000 in cash and, at the option of the Future Harvest shareholders, issued 2,750,001 shares at a deemed price of $0.135 per share. The Company has the option to acquire an additional 15% of the Future Harvest shares by December 31, 2015.

- In order to finance the accelerated acquisition of Future Harvest, the Company received a $300,000 secured and convertible non-interest bearing loan on July 2, 2015 from Dan Kriznic, President and CEO of Invictus MD, through his wholly-owned company. The loan is convertible into common shares at the lender's option at a deemed price equal to the greater of $0.18 and the lowest per share price permitted by any applicable stock exchange rules. As consideration for the loan, 333,333 bonus common shares were issued at a deemed price of $0.18.

FIRST QUARTER

During the quarter ended April 30, 2015, the following significant transactions occurred:

- On March 5, 2015, the Company generated gross proceeds of $770,000 through the issuance of 5,133,133 common shares at a price of $0.15;

- On April 29, 2015, the Company generated gross proceeds of $491,575 through the issuance of 3,277,166 common shares at a price of $0.15;

OUTLOOK

As of the date of this MD&A, the Company has completed a number of acquisitions and is continually working to add value through growth of current investments and seeking additional acquisition opportunities. The Company's primary objective is to identify, grow and build companies that are complementary to one another. The Company's strategy is to target small and mid-sized companies with proven brands, strong customer focus, and significant growth potential. We work in partnership with management teams to increase shareholder value through business planning and process integration, developing and executing growth strategies, leveraging our experience and relationships, and structuring and deploying the proper capital to support long-term growth.

LIQUIDITY AND CAPITAL RESOURCES

During the quarter ended July 31, 2015, the Company has completed additional equity financing, generating additional gross proceeds of $321,526.

The Company has working capital in the amount of $2,117,199, and cash of $469,922 as of July 31, 2015.

The Company's condensed interim consolidated financial statements for the period ended July 31, 2015 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business.

As at July 31, 2015, the Company has earned revenues from its operations of $396,489, and has accumulated losses of $1,480,729.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements.

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

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

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

There have been no changes to the Company's approach to capital management during the quarter ended July 31, 2015. The Company is not subject to externally imposed capital requirements.

As at July 31, 2015, the Company has 5,834,023 warrants outstanding, which, if exercised, would provide additional cash in the amount of $1,533,506.

As at July 31, 2015, the Company has 1,450,000 options outstanding.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company does not have any off-balance sheet arrangements or proposed transactions other than what is disclosed herein.

RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. Key management comprises of directors and executive officers.

During the six months ended July 31, 2015, the Company was charged $55,000 (2014 - $Nil) in management fees by a company controlled by the CEO of the Company. As of July 31, 2015, $15,750 remains outstanding.

During the six months ended July 31, 2015, the Company was charged $35,000 (2014 - $Nil) in management fees by a company controlled by the CFO of the Company. As of July 31, 2015, $Nil remains outstanding.

During the six months ended July 31, 2015, the Company was charged $40,000 (2014 - $Nil) in management fees by a company controlled by the Vice President, Business Development of the Company. As of July 31, 2015, $4,200 remains outstanding.

The Company was charged management fees totaling $130,000 (2014 - $Nil) by companies controlled by officers of the Company.

As at July 31, 2015, $5,300 (January 31, 2015 - $30,423) was due to officers and companies controlled by officers of the Company for expenses incurred. A portion of the balance owing is for expenses incurred prior to these parties being classified as related.

As at July 31, 2015, $26,745 (January 31, 2015 - $Nil) was due from shareholders and officers for expenses paid on behalf of Future Harvest Development Ltd.

As at July 31, 2015, $26,745 (January 31, 2015 - $Nil) was due from shareholders and officers for expenses paid on behalf of shareholders and officers of Future Harvest.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category		**July 31, 2015**		**January 31, 2015**
Cash	FVTPL	**$**	**469,922**	$	350,214
Accounts receivable	Loans and receivables		**947,674**		13,668
Deposits	Loans and receivables		**170,000**		32,314
Accounts payable	Other liabilities	**$**	**826,378**	$	120,982

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The financial instruments recorded at fair value on the statements of financial position are comprised of cash which is measured using Level 1 of the fair value hierarchy. There were no significant transfers between Level 1 and Level 2. At July 31, 2015, the Company has no other financial instruments that require disclosure under the fair value hierarchy.

RISK MANAGEMENT

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at July 31, 2015, the Company's exposure is the carrying value of the financial instruments.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained an insufficient cash at July 31, 2015 in the amount of $469,922, in order to meet short-term business requirements. At July 31, 2015, the Company had accounts payable and accrued liabilities of $826,378. All accounts payable and accrued liabilities are current.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. For the six months ended July 31, 2015, the Company recorded a foreign exchange loss of $45,713.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

SIGNIFICANT ACCOUNTING POLICIES

The Company's unaudited condensed interim consolidated financial statements have been prepared using accounting policies, judgments and estimates consistent with those used in the audited consolidated financial statements for the year ended January 31, 2015. Please refer to the audited financial statements for additional information.

FUTURE CHANGES TO ACCOUNTING STANDARDS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning after February 1, 2014, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Accounting standards adopted and effective February 1, 2014

As of February 1, 2014, the company adopted several new IFRS standards and amendments in accordance with the transitional provisions of each standard. The adoption of these standards did not have a significant impact on the financial statements of the Company.

The adoption of these standards did not impact the Company's financial statements.

i. Amendments to IAS 32 – *Financial instruments, presentation*
ii. Amendments to IAS 36 – *Impairment of assets*
iii. IFRIC 21 – *Levies*

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after February 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective February 1, 2016

IAS 16 – ***Property, plant and equipment***

In May 2014, the IASB amended IAS 16, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for property, plant and equipment that is based on revenue that is generated by an activity that includes the use of an asset is not allowed. The Company is evaluating the effect, if any, the amendment to IAS 16 will have on the Company's financial statements.

IAS 38 – *Intangible assets*

In May 2014, the IASB amended IAS 38, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for intangible assets that is based on revenue that is generated by an activity that includes the use of an intangible asset is not allowed. Exceptions are allowed where the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The Company is evaluating the effect, if any, the amendment to IAS 38 will have on the Company's financial statements.

New accounting standards effective February 1, 2018

IFRS 9 – *Financial instruments, classification and measurement*

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.
The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

SUBSEQUENT EVENTS

On September 19th, 2015 the Company has announced that it has settled outstanding debt of $14,300 as owed to one creditor, through the issuance of 114,400 common shares at a deemed price of 12.5 cents per share. The shares are subject to a hold period and may not be traded until January 16, 2016.

DISCLOSURE OF OUTSTANDING SHARE DATA

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Stock Options
Balance, July 31, 2015	54,521,718	5,834,023	1,450,000
Balance, September 29, 2015	54,636,118	5,834,023	1,575,000

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of materials fact of omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approved the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

FORWARD-LOOKING INFORMATION OR STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of June 29, 2015 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and complete amalgamation.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Schedule A - Investment in Associates

Associate	Reporting date	Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	Income	Expenses	Profit / (Loss)	Share of net assets	Share of profit / (loss)
Edison Vape	07/31/2015	40%	3,929	14,611	18,539	10,000	40,000	50,000	(31,461)	-	31,621	(31,621)	(12,584)	(12,648)
Focus Distributions	07/31/2015	35%	6,898	16,000	22,898	6,007	-	6,007	16,892	93,784	176,169	(82,385)	5,912	(28,835)
			10,827	30,611	41,437	16,007	40,000	56,007	(14,569)	93,784	207,790	(114,006)	(6,672)	(41,483)