Form 51-102F4

BUSINESS ACQUISITION REPORT

Identity of Company

1.1 Name and Address of Company/Issuer

Highmark Marketing Inc.
Suite 800, 1199 West Hastings Street
Vancouver, BC V6E 3T5

1.2 Executive Officer

Marc Branson – Chief Executive Officer - 604.816.2555

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On February 18, 2015, the Issuer closed the share exchange agreement with BCBud Producers Inc. ("**BCBud**") and Blue Moon Advertising Inc. ("Blue Moon") and completed the acquisition of BCBud. The Issuer, BCBud and Blue Moon entered into the share exchange agreement on August 5, 2014 (the "**Share Exchange Agreement**") whereby the Issuer agreed to acquire 100% of the authorized share capital of BCBud from its shareholder, Blue Moon.

BCBud was incorporated under the laws of British Columbia on July 21, 2013. Its registered and records office is located at 7164 120 St, Surrey, British Columbia Canada V3W 3M8. BCBud has applied to become a licensed producer of marijuana under the Marihuana of Medical Purposes Regulations ("**MMPR**").

In its application to Health Canada, BCBud relied upon its lease option on a 17,000-square-foot building in the village of Pemberton, B.C., zoned M-1, with a growing space of approximately 10,000 square feet. The building will be a new facility that is purpose built for the operation as per the MMPR.

2.2 Acquisition Date

The effective date of the acquisition was February 18, 2015

2.3 Consideration

The Share Exchange Agreement was amended on February 10, 2015 to adjust the number of shares to be issued to Blue Moon upon closing the Share Exchange Agreement, so as to reflect the forward split of the Issuer's common shares which occurred after signing, but before closing, the Share Exchange Agreement.

Upon entering into the Share Exchange Agreement, the Issuer issued 250,000 pre-forward split common shares (1,000,000 post-forward split common shares) to BCBud.

Upon closing the Share Exchange Agreement, the Issuer issued an additional 9,000,000 common shares to Blue Moon (the "**Purchase Shares**"). The Purchase Shares will be held in escrow and will be released as follows:

Release Date	**Number of Purchase Shares Released**
On receipt by the Issuer of a Ready to Build letter from Health Canada confirming that the Issuer has approval from Health Canada to build a facility pursuant to the Marihuana for Medical Purposes Regulations (the "**MMPR**")	1,000,0000 common shares (the "**Ready to Build Shares**")
On receipt by the Issuer of a license to produce marijuana pursuant to the MMPR	8,000,000 common shares (the "**License Shares**")

Upon closing the Share Exchange Agreement, the Issuer had 64,863,428 issued and outstanding common shares.

2.4 Effect on Financial Position

BCBud has applied to become a licensed producer of marijuana under the MMPR (see item 2.1). Any financial changes in the Issuer resulting from acquisition of BCBud or any financial changes in BCBud will be a result of a producer's license or related government approvals being granted to BCBud.

Management of the companies has remained unchanged since the Issuer acquired BCBud.

The Issuer does not currently have any other plans or proposals for material changes in the Issuer's business affairs or the affairs or BCBud which may have significant effect on the financial performance and financial position of the Issuer.

2.5 Prior Valuations

The consideration paid under the Share Exchange Agreement for the acquisition of BCBud was based upon a mutually determined fair market value assessment. To negotiate a price, management of the Issuer focused on assessing the strength of BCBud's MMPR license application relative to various other applicants within the industry.

2.6 Parties to Transaction

Pursuant to the Share Exchange Agreement, the Issuer entered in to agreement with BCBud and its sole shareholder, Blue Moon, to acquire 100% of the share capital in BCBud. The Issuer and Blue moon and BCBud are non-related parties.

2.7 Date of Report

May 1, 2015

Item 3 Financial Statements and Other Information

The audited financial statements for BCBud for the year ended March 31, 2014, including the independent auditors' report contained therein, are attached as Schedule A to this Business Acquisition Report.

Schedule "A"

Audited Financial Statements for BCBud Producers Inc. for the Year Ended March 31, 2014

BCBUD PRODUCERS INC.
FINANCIAL STATEMENTS
Period from July 21, 2013 (date of incorporation)
to March 31, 2014

Expressed in Canadian Dollars

p | 604.683.3277
F | 604.684.8464

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

charlton

charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Directors of:
BCBud Producers Inc.

We have audited the accompanying financial statements of BCBud Producers Inc., which comprise the statements of financial position as at March 31, 2014, the statements of loss and comprehensive loss, the statement of changes in shareholders' deficiency and the statement of cash flows for the period from the date of incorporation, July 21, 2013, to March 31, 2014, and a summary of significant accounting policies and other explanatory information for the period then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of BCBud Producers Inc. as at March 31, 2014, and the results of its operations and cash flows for the period from the date of incorporation, July 21, 2013, to March 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Highmark International Marketing Inc. is dependent on continued financing in order to fund its operations. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED

ACCOUNTANTS
Vancouver, BC
November 7, 2014

	Notes		March 31, 2014
Assets			
Cash		$	34
GST/HST receivable			1
Current and Total Assets		**$**	**35**
Liabilities			
Current Liabilities			
Accounts payable		$	2,000
Due to related parties	9		849
Total Liabilities		**$**	**2,849**
Shareholders' Equity			
Share capital	5		1
Deficit			(2,815)
Total Equity			**(2,814)**
Total Liabilities and Shareholders' Equity		**$**	**35**

Subsequent Events (note 10)

Approved and authorized by the Board on November 7, 2014

"William John Marshall"
William John Marshall, Director

	Notes	Period from July 21,2013 (date of incorporation) to March 31, 2014
Expenses		
Bank service charges		$ 55
Meals and entertainment		25
Professional fees		2,735
Net loss and comprehensive loss for the period		(2,815)
Loss per share – basic and diluted		**(28)**
Weighted average number of common shares outstanding		**100**

	Share Capital			
	Number of shares	Amount	Deficit	**Total**
Balance at July 21, 2013 (date of incorporation)	**-**	**-**	-	-
Issued on incorporation	100	1	-	1
Comprehensive loss for the period	-	-	(2,815)	(2,815)
Balance at March 31, 2014	**100**	**$ 1**	**$ (2,815)**	**$ (2,814)**

	Note		Period from, July 21, 2013 (date of incorporation) to March 31, 2014
Operating activities			
Net loss		$	(2,815)
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities			2,849
GST/HST receivable			(1)
Net cash flows used in operating activities			33
Financing activities			
Share capital			1
Net cash flows used in financing activities			1
Increase (decrease) in cash			34
Cash, beginning of period			-
Cash end of period		$	34

1. Description of business and nature of operations

BCBud Producers Inc. (the “Company”) was incorporated under the laws of British Columbia on July 21, 2013. Its registered and records office is located at 7164 120 St, Surrey, British Columbia Canada V3W 3M8. The Company has applied to become a licensed producer of marijuana under the Marihuana of Medical Purposes Regulations (MMPR).

In its application to Health Canada, BCBud relied upon its lease option on a 17,000-square-foot building in the village of Pemberton, B.C., zoned M-1, with a growing space of approximately 10,000 square feet. The building will be a new facility that is purpose built for the operation as per MMPR.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2014, the Company has not generated any revenues from operations, and has a working capital deficit of $2,814, and an accumulated deficit of $2,815. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements were authorized for issue in accordance with a resolution of its Directors on November 7, 2014.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and Interpretations of International Financial Reporting Interpretations Committee (“IFRIC”) in effect at the closing date of March 31, 2014.

Basis of measurement

These financial statements are stated in Canadian dollars, which is also the functional currency of the Company, and were prepared on a going concern basis, under the historical cost convention, except as otherwise specified.

Significant Estimates and Assumptions

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

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

2. **Basis of preparation (continued from previous page)**

Significant Judgements

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

3. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below.

Cash

Cash consists of the proceeds generated on the issuance of common shares, which is being held in trust.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received or receivables, net of direct issue costs.

Non-derivative financial instruments

The Company determines the classification of its non-derivative financial instruments at initial recognition. Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

i) Financial instruments at fair value through profit or loss

Financial assets or financial liabilities are classified as fair value through profit or loss ("FVTPL") when the financial asset or liability is either held for trading or it is designated as such by management on initial recognition. Financial assets or financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized immediately in the statement of comprehensive income. The net gain or loss recognized in the statement of comprehensive income incorporates any dividend or interest earned. The Company has no classifications in this category.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. The Company has no classifications in this category

3. **Summary of significant accounting policies**

i) Other financial liabilities

Other financial liabilities are non-derivative liabilities recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost each period. The Company has classified trade and other payables and due to shareholder as other financial liabilities.

Income taxes

Tax expense comprises of current and deferred tax. Tax is recognized in the statement of comprehensive loss except to the extend it relates to items recognized in other comprehensive loss or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Basic and diluted per share calculation

The Company presents basic and diluted loss per share data for its common shares. Basic per share amounts are calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated using the “if converted method” and are determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential agent options.

4. Future changes in accounting policies

The Company will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Company's statement of financial position will not be known until the project is complete.

5. Share capital

Authorized

100 common shares at $0.01 per share.

Issued common shares

	Number of Shares	$
At inception – July 21, 2013	-	-
Share capital	100	1
Balance, March 31, 2014	100	1

(i) On July 21, 2013, the Company issued 100 common shares at a price of $0.01 per common share for total proceeds of $1.

6. Income taxes

Current Income Taxes

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

		March 31, 2014
Net loss for the period	$	(2,815)
Expected tax recovery at a combined federal and provincial rate of 26.00%		(731)
Tax benefit not recognized		731
Deferred income tax recovery	$	–

Deferred Taxes

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

		March 31, 2014
Non-capital loss carry forwards	$	731
Net deferred income tax asset not recognized	$	731

7. Capital Management

The Company's capital consists of shareholders' equity. The Company's objective for managing capital is to maintain sufficient capital to maintain and sustain future development of the business.

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

8. Financial Instruments

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

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

Trade and other payables and due to shareholder are measured using level 3 measurements. The carrying amount of trade and other payables and due to shareholder approximates their fair value due to the short-term maturities of these items.

The Company manages risk through establishing policies that provide management oversight related to the risks of operations, including ensuring that risks are identified and assessed and appropriate policies are in place and effective. Financial instruments present a number of specific risks. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, market risk is currency risk. Other risks associated with financial instruments include liquidity risk.

Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid assets to meet its commitments associated with financial liabilities. The Corporation retains sufficient cash and cash equivalents to maintain liquidity. As at March 31, 2014, the Company is funded through share issuances and remains available to satisfy all current obligations. Trade and other payables are due within one year.

Currency risk

Currency risk is the risk that the value of financial assets denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates.

All financial instruments are denominated in Canadian dollars, the functional currency of the Company. Therefore, the Company is not significantly exposed to currency risk.

8. Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties.

As at March 31, 2014, the Company owed $849 to directors of the Company. These loans are non-interest bearing, unsecured, and payable on demand.

9. Subsequent Events

On August 6, 2014, Highmark International Marketing Inc announced the terms of a share exchange agreement with the Company and Blue Moon Advertising to acquire 100 per cent of authorized share capital of the Company from its shareholder, Blue Moon Advertising.