



**MEDIPURE HOLDINGS INC.**

**FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**FOR THE PERIOD FROM INCORPORATION ON JUNE 20, 2014 TO SEPTEMBER 30, 2014**

## **NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS**

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

The accompanying unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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.

**MEDIPIRE HOLDINGS INC.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
(Unaudited)  
AS AT

September 30,  
2014

**ASSETS**

**Current**

Receivables	\$ 400
	<u>\$ 400</u>

**LIABILITIES AND SHAREHOLDERS' DEFICIENCY**

**Current**

Accounts payable and accrued liabilities	\$ 8,387
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**Shareholders' deficiency**

Share capital (Note 5)	1
Deficit	<u>(7,988)</u>
	<u>(7,987)</u>
	<u>\$ 400</u>

**Nature and continuance of operations** (Note 1)

**Plan of arrangement** (Note 4)

**Commitment** (Note 10)

Approved and authorized by the Board on December 1, 2014.

"Boris Weiss"

Director

"Lorne Nystrom"

Director

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

**MEDIPIRE HOLDINGS INC.**  
**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)  
(Unaudited)

For the  
period from  
incorporation  
on June 20,  
2014 to  
September  
30, 2014

<b>EXPENSES</b>	
Consulting fees	\$ 7,988
<b>Loss and comprehensive loss for the period</b>	<b>\$ (7,988)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.80)</b>
<b>Weighted average number of common shares outstanding</b>	<b>10,000</b>

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

**MEDIPIRE HOLDINGS INC.**  
**STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

For the  
period from  
incorporation  
on June 20,  
2014 to  
September  
30, 2014

<b>CASH FROM OPERATING ACTIVITIES</b>	
Loss for the period	\$ (7,988)
Changes in non-cash working capital items:	
Receivables	(399)
Accounts payable and accrued liabilities	<u>8,387</u>
Net change used in operating activities	<u>-</u>
<b>Change in cash for the period</b>	-
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ -</u>

Significant non-cash transactions for the period included the Company issuing 10,000 common shares for \$1 accrued through receivables.

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

**MEDI-PURE HOLDINGS INC.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY**  
(Expressed in Canadian Dollars)  
(Unaudited)

	<b>Share capital</b>			
	<b>Number</b>	<b>Amount</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance at June 20, 2014 (inception)</b>	10,000	\$ 1	\$ -	\$ 1
Loss for the period	-	-	(7,988)	(7,988)
<b>Balance at September 30, 2014</b>	10,000	\$ 1	\$ (7,988)	\$ (7,987)

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

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Medipure Holdings Inc. (the "Company") was incorporated under the Business Corporations Act, British Columbia on June 20, 2014. The Company's registered and records office address is Suite 1820 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

The Company, a shell as at September 30, 2014, will be focused on the research and development in the field of cannabinoid science and the commercialization of cannabinoid molecules following execution of a Plan of Arrangement with Medipure Pharmaceuticals Inc. ("Medipure Pharmaceuticals") and Noor Energy Corporation ("Noor") (Note 4). The Company was a wholly-owned subsidiary of Noor as at September 30, 2014.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. The Company has incurred a loss since inception. The ability of the Company to continue as a going concern in the long-term depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and research programs. These conditions indicate the existence of a material uncertainty that may give rise to significant doubt about the entity's ability to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

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

**Basis of Presentation**

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**Estimates**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position 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 that have been made that relate to the following key estimates:

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Provisions**

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

#### **Financial instruments**

##### Financial assets

The Company classifies its financial assets into one of the following categories, 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 assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized 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.

*Held-to-maturity investments* - 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 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 through profit or loss.

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

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

The Company has classified its receivables as loans and receivables.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

Financial liabilities

The Company classifies its financial liabilities into one of two categories, 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 liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

*Other financial liabilities:* This category consists of liabilities carried at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

**Basic and diluted loss per share**

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options has not been included in this calculation as it would be anti-dilutive.

**Income taxes**

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

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and 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 financial position reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

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.

#### **4. PLAN OF ARRANGEMENT**

In June, 2014, the Company entered into an Arrangement Agreement with Noor, parent to the Company and its subsidiary, Medipure Pharmaceuticals, for the purpose of becoming a public company. The Arrangement Agreement was executed on October 29, 2014. Pursuant to the Arrangement Agreement:

- 1) Medipure Pharmaceuticals purchased all the issued and outstanding shares of the Company (the "Purchase Shares") from Noor for consideration of \$20,000;
- 2) The Company acquired all the outstanding shares of the Medipure Pharmaceuticals from all the Medipure Pharmaceuticals' shareholders through a 1-for-1 share exchange whereby the Company issued 8,069,906 common shares;
- 3) Noor issued 5,000 of its common shares to the Company and received in exchange 360,000 common shares of the Company (the "Distribution Shares");
- 4) the Distribution Shares were distributed as dividends to Noor's shareholders on a pro rata basis; and
- 5) the Purchase Shares were then cancelled.

On November 7, 2014, the Company began trading on the Canadian Securities Exchange ("Exchange") under the symbol "MDH".

#### **5. SHARE CAPITAL**

##### **Authorized share capital**

As at September 30, 2014, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

##### **Issued share capital**

During the period from inception on June 20, 2014 to September 30, 2014, the Company issued 10,000 common shares at \$0.0001 per common share as the initial capitalization of the Company.

#### **6. RELATED PARTY TRANSACTIONS**

Key management personnel include the Chief Executive Officer, Chief Financial Officer and Directors of the Company. Key management personnel include the Chief Executive Officer, Boris Weiss, Chief Financial Officer, Samantha Shorter, and Directors of the Company. The remuneration of key management personnel included payment or accrual of consulting fees of \$7,988 to the Chief Financial Officer.

As at September 30, 2014, there was an amount of \$8,387 included in accounts payable and accrued liabilities due to related parties with respect to the above transactions.

**MEDIPIRE HOLDINGS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
(Unaudited)  
**SEPTEMBER 30, 2014**

**7. INCOME TAXES**

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

	For the period from incorporation on June 20, 2014 to September 30, 2014
Loss for the period before income tax	\$ (7,988)
Expected income tax recovery	\$ (2,037)
Change in unrecognized deductible temporary differences	<u>2,037</u>
Total income tax (recovery)	\$ -

The significant components of the Company's unrecognized temporary tax differences are as follows:

	September 30, 2014
Operating losses carried forward expiring in 2034	\$ 7,988
Net unrecognized deductible temporary differences	\$ 7,988

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instruments**

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

**Risk management**

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

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company anticipates that the execution of the Plan of Arrangement will provide adequate funding to discharge the Company's current liabilities.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company is not currently exposed to significant market risk.

**9. CAPITAL MANAGEMENT**

The Company considers its capital to be the components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This will be done primarily through equity financing.

Future financings are dependent on market conditions and the ability to identify sources of investment. There can be no assurance the Company will be able to raise funds in the future.

The Company is not subject to externally imposed capital requirements.

**10. COMMITMENT**

Subsequent to the period ended September 30, 2014, the Company has entered into an investor relations service agreement (the "Consultant") at a rate of \$8,000 per month which may be terminated by either party upon 30 days' written notice. On the 44<sup>th</sup> day following the listing of the Company, the Company will issue 18,750 common shares to the Consultant subject to certain deliverables.