CONFIDENTIAL OFFERING MEMORANDUM

Date:	April 28, 2015

THE ISSUER

Name:	BestGROW Greenhouses Ltd.
Head Office:	#103, 18304 – 105 Avenue, Edmonton, AB T5S 0C6 Telephone: 780-297-6081 Fax: 780-487-0070 Email: info@bestgrow.ca
Currently listed or quoted?	No – **These securities do not trade on any exchange or market.**
Reporting issuer?	No
SEDAR filer?	No

THE OFFERING

Securities offered:	Class B voting common shares and Class C voting common shares (each, a "Share")
Price per security:	$1.00 per Share
Minimum/Maximum offering:	**There is no minimum.** / $4,500,000. **You may be the only purchaser. Funds available under the offering may not be sufficient to achieve our proposed objectives.**
Minimum subscription amount:	Class B voting common shares -- $25,000 minimum, $5,000 increments Class C voting common shares – $5,000 minimum, $1,000 increments
Payment terms:	Bank draft, certified cheque, personal cheque or wire transfer from a qualified RRSP/RRIF/LIP/LIRA/TFSA
Proposed closing dates:	From time to time as determined by the Board of Directors
Income tax consequences:	There are important tax consequences to these securities. See Item 6.
Selling agent:	Yes – See Item 7.
Resale restrictions:	You will be restricted from selling your securities for an indefinite period. See Item 10.
Purchaser's rights:	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.

SUMMARY

This offering memorandum describes the business and affairs of BestGROW Greenhouses Ltd. (“we”, “our”, “us”), a company incorporated pursuant to the laws of the Province of Alberta and extraprovincially registered in the Province of British Columbia, and has been prepared primarily for delivery to and review by qualified purchasers so as to assist those purchasers in making an investment decision in respect of securities being sold by us in reliance upon one or more exemptions from the prospectus and registration requirements of applicable securities legislation.

We are offering our Class B voting common shares at a price of $1.00 per Share with a minimum $25,000 investment (plus an optional loan of a minimum of $25,000), and our Class C voting common shares at a price of $1.00 per Share with a minimum $5,000 investment from a qualified RRSP/RRIF/LIP/LIRA/TFSA. The proceeds we receive from any subscription (each, a “Subscription”) will be released immediately after we have accepted such Subscription.

This offering memorandum is for the use of only those persons to whom it is transmitted by our promoters and agents and may not be reproduced or used, in whole or in part, for any other purpose. This offering memorandum is not, and under no circumstances is it to be construed as, a public offering or advertisement of the Shares.

This document is an offering memorandum, not a prospectus. The Shares offered hereby will only be distributed to certain qualified investors. The qualification of such investors will be predicated upon the availability of an exemption from the prospectus requirements of applicable securities legislation.

An investment in the Shares is highly speculative and is designed for persons who are prepared to accept the significant risks inherent in our business. The price of the Shares was determined solely by our management and there is no market for the Shares. See Item 8, “Risk Factors”. Therefore, the Shares are not suitable for investors who may need to dispose of their investment in a timely manner.

We will only issue Shares to investors who purchase the Shares as principal, and on the condition that at the same time or before the investor signs a subscription agreement (see paragraph 1 below), we deliver this offering memorandum to the investor and we obtain a signed risk acknowledgement form (see paragraph 2 below) from the investor.

You may subscribe for Shares by returning the following documents to us at the address listed on the cover page of this offering memorandum:

1. a completed subscription agreement in the form accompanying this offering memorandum;

2. a completed risk acknowledgement in the form attached to this offering memorandum (Form 45-106F4) – please note that <u>you must keep a signed copy of this document for your records</u>;

3. a completed eligible investor form in the form accompanying this offering memorandum if you are investing $10,000 or more and are a resident of Alberta, Manitoba or Saskatchewan;

4. an optional executed promissory note for a minimum of $25,000 in the form accompanying this offering memorandum if you are subscribing for Class B voting common shares; and

5. a certified cheque, bank draft or evidence of a wire transfer from a qualified RRSP/RRIF/LIRA/LIP/TFSA account in the amount of your investment payable to “BestGROW Greenhouses Ltd.”

We will hold your subscription funds in trust until midnight on the second business day after the day on which we receive your signed subscription agreement.

You will be provided with an amended offering memorandum only if the amendment occurs prior to your particular closing.

This offering memorandum and the information contained herein may be subject to amendment. The offering may be subject to cancellation, in whole or in part, and we reserve the right to close our subscription books at any time without notice. Prospective investors are advised to carefully review the entire contents of this offering memorandum and should consult with their legal, financial and tax advisors on matters relating to this investment.

All sums in this offering memorandum are stated in Canadian dollars, except where indicated otherwise.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “projects” and similar forward-looking expressions or negative versions thereof. In addition, any statement in this offering memorandum that may be made concerning our future performance and possible future actions is also a forward-looking statement.

In particular, this offering memorandum contains forward-looking statements which include, but are not limited to, information pertaining to our business strategy and future economic performance and working capital position; and the timing and other procedural matters associated with the offering memorandum. The forward-looking statements are included to allow the reader to understand our potential working capital position upon completion of the offering, and may not be appropriate for other purposes.

The forward-looking statements contained in this offering memorandum are based on current expectations and projections about our future economic performance and the general business environment. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by us. Any number of important risk factors could contribute to these digressions, including those described in Item 8. Investors are strongly encouraged to consider such factors carefully before making any investment decisions and are urged to avoid placing any undue reliance on forward-looking statements. Further, investors should be aware of the fact that we have no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

		Assuming minimum offering ($)	Assuming maximum offering ($)
A.	Amount to be raised by this offering	0	4,500,000
B.	Selling commissions and fees [1]	0	562,500
C.	Estimated offering costs (e.g. legal, accounting, audit)	40,000	40,000
D.	Net proceeds: D = A – (B + C)	(40,000)	3,897,500
E.	Additional sources of working capital	0	0
F.	Working capital deficiency [2]	0	0
G.	Total: (D + E) – F	(40,000)	3,897,500

(1) See Item 7, “Compensation Paid to Sellers and Finders”. This amount may be less than anticipated since it includes a 2.5% bonus that is only payable to any agent we have engaged that is able to facilitate the sale of $1,000,000 or more of our securities.

(2) As of March 31, 2015.

1.2 Use of Available Funds

Please note that the following amounts pertain to our proposed 3 HA greenhouse facility but do not include construction costs, since we anticipate funding those using debt financing.

Description of intended use of available funds listed in order of priority	Assuming minimum offering ($)	Assuming maximum offering ($)
Project site selection and location analysis	0	10,000
Land acquisition costs	0	502,000
Lender equity payment to Hydronov	0	2,648,787
Business plan preparation	0	45,000
Management & consulting fees (12 months) [1]	0	360,000
Hydronov technician & procurement management	0	90,000
Technology selection, research & engineering	0	37,000
Facility engineering design	0	32,000
Accounting and legal expenses	0	45,000
Marketing analysis and negotiation of product delivery	0	20,000
Miscellaneous marketing and sales expenses	0	20,000
Unallocated working capital	0	87,713
Total	(40,000)	3,897,500

(1) See Item 2.7, “Material Contracts” and Item 3.1, “Compensation and Securities Held”.

1.3 Reallocation

We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons.

ITEM 2 OUR BUSINESS

2.1 Structure

We were incorporated in Alberta on January 31, 2011 under the incorporation number 2015846310 and are extra-provincially registered in British Columbia under the incorporation number A0083604. Our primary place of business is in Edmonton, Alberta.

2.2 Our Business

Our goal is to develop a baby leaf produce and lettuce-based deep pool floating raft hydroponic greenhouse property in southern Alberta. The technology we are in the process of licensing was developed by Hydronov Inc. (“Hydronov”), a company based in Mirabel, Quebec, and has been proven to work that climate which is similar to the one in southern Alberta. Hydronov is currently the largest hydroponic lettuce producer in the world through its affiliate companies in six countries around the globe and provides turnkey development services to licensors of its technology.

The Market for Lettuce and Other Green Crop Produce

The market for fresh produce in Western Canada is robust, especially in the winter months. Every year Albertans import 98% of the lettuce they consume, and nearly 100% of all packaged produce originates from the United States. We believe that the opportunity exists to service this market, and in particular the lettuce and baby leaf crop segments, as a result of our discussions with numerous wholesale buyers who have expressed an interest in establishing purchasing programs with us once we have commenced production and selected harvest dates.

We have identified two primary crop types that we feel are best suited to the Western Canadian market due to their high margins: butter lettuce and baby leaf produce. In 2014, the wholesale price for butter lettuce averaged $14 per dozen heads, while the wholesale price for baby leaf produce averaged $2.25 per 142g clamshell package and $2.75 per 284g clamshell package. According to Hydronov and using conservative price and production numbers, the break-even revenue level for our operation should be approximately $7.25 to $8.00 per dozen heads of butter lettuce and $0.80 to $0.90 per 142g clamshell package of baby leaf produce, with the 284g size in the $1.50 to $.175 range.

We have conducted an intensive study of the market for lettuce-based produce in Western Canada, and believe that the baby leaf crop segment represents an excellent entry point since Hydronov’s technology will allow us produce a wide variety of lettuces along with kale, arugula and assorted herbs. The process can be extensively automatized, which will reduce our labour expenses while at the same time increasing productivity.

Implementation Strategy

Our development strategy is very straightforward and consists of three stages:

Stage 1: Research and Identify the Best Investment in Green Crop Production (Completed)

We have decided that the patented floating raft technology developed by Hydronov is the best option for developing our 3 HA hydroponic greenhouse project. We selected Alberta as the region in which to establish our business due to its lack of a tariff or quota system for fresh produce.

We are currently in the process of completing site selection in the general vicinity of Calgary. We anticipate that our site location will be well suited for a greenhouse operation due to it being located in a Chinook belt, having the most wintertime sunlight of all major Canadian cities and being in close proximity to major food markets in Alberta. With Calgary less than an hour's drive away from the prospective location, and Edmonton less than four hours away, we expect the produce to be readily accessible to over 2.5 million people.

We feel that developing a hydroponic greenhouse located in this area that includes Hydronov's floating raft technology will result in the highest probability of our operation becoming successful.

Stage 2: Equity and Debt Financing (Underway)

Through this offering memorandum we are seeking to raise sufficient equity financing to proceed with licensing Hydronov's technology and securing turnkey greenhouse development.

Once we have completed our equity round of financing, we plan to obtain the debt financing required to construct our greenhouse facility through various agricultural lenders in Alberta. To date, we have received support from two such lenders for 55% of the loan-to-value (LTV) ratio of our project, and we expect a third lender to come on board shortly representing an additional 10%. In total, that will bring the LTV ratio up to 65% of the project, or approximately $11.1 million dollars.

In order to offset the costs of development, we have applied for and continue to plan to apply for government subsidies such as grants, tax credits and incentives for rural community development, wherever possible. To date, we have applied for start-up and marketing funds through the Alberta Department of Agriculture's Growing Forward 2 grant program.

Stage 3: Acquisition and Construction (To Be Completed Upon the Conclusion of Equity Financing)

As described above, once we have completed our equity round of financing, we expect to complete our engagement of Hydronov and secure construction financing from one or more entities. To date, we have paid Hydronov an aggregate of $760,000 towards the total cost of our purchasing and service contract with that company. See Item 2.7, "Material Agreements".

Project Cost Summary

Below is a breakdown of the costs associated with the construction of the 3 HA greenhouse facility.

Description	Cost ($)
Land and services	1,000,000
Pre-construction costs	1,850,000
Greenhouse construction	2,250,000
Greenhouse equipment	2,250,000
Service building construction and equipment (including cold storage)	900,000
Floating raft growing system	2,500,000
Production equipment	1,469,900
Installation (to be completed by Hydronov)	750,000
Installation (to be completed by one or more third parties)	1,216,250
Concrete works and delivery	1,150,000
Design and technology follow-up	420,000
Sales tax, production supplies, miscellaneous expenses	705,000
Additional operating capital required to achieve cash flows	640,000
Total	**17,101,150**

The figures presented above represent the entire cost of the project from inception to production, and include contingencies for cost over-runs both from the numbers in our agreement with Hydronov and in general (for example, where third party services will be required).

<u>Estimated Timeline</u>

We estimate that the process from acquiring land to completing our first harvest will take approximately 11 months, provided the main construction components can be completed during the Alberta building season of March to November. This estimate is based on Hydronov's construction template it has used around the world.

2.3 Development of the Business

We have identified short crop produce, as produced by the Hydronov technology, as a premium development in the food production business. As a result, we have completed our due diligence on the technology and confirmed that five year net annual returns of 23% have been achieved by Hydronov at its Mirabel facilities. We are seeking to duplicate and improve on the Mirabel success of Hydronov in Western Canada.

To date, we have executed a use of technology agreement with Hydronov for greenhouse operations within the territory of Western Canada and we anticipate using Hydronov's proprietary technology and greenhouse management systems.

Our key persons have spent the past 12 months researching and confirming funding sources for this project, and have met with multiple entities regarding business opportunities and potential development. Since our inception, we have also raised an aggregate of over $3,000,000 in cash from the sale of our securities.

We expect to build a 3 HA size greenhouse, and with ancillary buildings we require at least a 12 acre site. However, we plan to acquire 25 or more acres in order to provide us with additional expansion options.

2.4 Long Term Objectives

Our primary long term objective is to be a low cost leader in the production of lettuce and other short crop produce in Western Canada by accessing savings available through the use of advanced greenhouse technologies.

We plan on managing our proposed operation for a maximum of 10 years, and we expect to pursue the sale of our business no more than seven years from time that we commence greenhouse operations. We expect the holders of each class of our issued securities to participate in the proceeds of any sale we are able to negotiate on a pro-rata basis.

2.5 Short Term Objectives and How We Intend to Achieve Them

Our objectives for the next 12 months include the following:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete ($)
Complete equity financing round	May 31, 2015	N/A
Secure debt financing for greenhouse construction	June 30, 2015	N/A
Complete land acquisition	July 31, 2015	1,000,000
Commence greenhouse construction	September 30, 2015	N/A
Complete facility construction	10-11 months	16,101,150
Commence greenhouse operations	12 months	N/A
Implement corporate governance policies and structures (1)	12 months	N/A

(1) Once we commence greenhouse operations, we plan to, among other things, (i) appoint at least four additional directors who add value to the company and represent various key elements of our business (i.e., investment, production, marketing/distribution and innovation), (ii) appoint Alan Wilson as our Chairman to work directly with our President, (iii) establish a system of strategic objectives that our President will report on directly to our board of directors and (iv) create corporate governance policies that will contribute to our long term success.

2.6 Insufficient Funds

The funds available as a result of the offering may not be sufficient to accomplish our proposed objectives and there is no assurance that alternative financing will be available. See Item 8, “Risk Factors”.

2.7 Material Agreements

We are currently a party to the following material agreements:

Purchasing and Service Contract with Hydronov dated June 4, 2013

Pursuant to this agreement, we engaged Hydronov to provide us with an advanced hydroponics production system developed by Hydronov to facilitate the greenhouse production of lettuce and leafy vegetables, including supplying equipment, expertise and technical support. The agreement includes certain specifications for our proposed facility and growing system, as well as a list of materials and services to be provided by third parties which Hydronov has agreed to assist in sourcing. In exchange for the aforementioned services, we agreed to pay Hydronov a total of $8,448,787 (since amended to $9,345,006), which amount includes the construction of our greenhouse facility and growing system, all equipment necessary to commence operations, delivery charges, technical support and production follow-up. The only costs the price does not include are related to land acquisition, the construction of an additional service building and cold storage area, and installation labour. To date, we have paid the first $300,000 installment due under the agreement, a good faith payment $200,000 in February 2014 and a second installment of $260,000 in June 2014. The next $3,585,006 is due upon our receipt of a firm commitment from a debt financier, and the final $5,000,000 installment is due upon our receipt of a financing guarantee via a Letter of Credit or Letter of Guarantee.

Exempt Market Selling Agency Agreement with an Exempt Market Dealer (the "EMD") dated April 1, 2014

Pursuant to this agreement, we engaged the EMD as an exempt marker dealer to assist us with our equity round of financing by offering the Shares for sale on a private placement basis. In exchange for the EMD's services, we agreed to pay the EMD a cash commission of up to 12.5% of the gross proceeds we receive from any investors introduced to us by it. The agreement is effective until we decide to terminate it upon 30 days' notice to the EMD, or by either party immediately upon the occurrence of certain specified events such as a breach or default.

Settlement Agreement and Mutual Release with Donald Currie dated April 25, 2014

Pursuant to this agreement, we agreed to pay an aggregate of $25,000 in two installments to Donald Currie, our former officer, director and consultant, forgive $24,000 in debt owned by Mr. Currie to us and grant Mr. Currie options to purchase 275,000 Class A voting common shares at a price of $0.001 per share exercisable for a period of 10 years from the date of grant in exchange for Mr. Currie agreeing to release us from any and all claims that he may have against us as of the date of the agreement. The grant of options is subject to the condition that we are able to successfully complete the maximum offering.

In addition, we are also a party to the following material verbal arrangements:

Kurjata Ventures Inc.

Pursuant to this arrangement, we engaged Kurjata Ventures Inc., a corporation controlled by Greg Kurjata, our President, Financial Marketing Manager and director, to prepare financial product presentations, act as a liaison to exempt marker dealers, carry out investor follow-through, provide marketing collateral management and optimization, and deal with various other administration and financial issues. In exchange for these services, we agreed to pay Kurjata Ventures Inc. a fee of $5,000 per month, plus expenses, until we commence greenhouse operations, which amount was increased to $7,500 per month, plus expenses, on January 31, 2014, and further increased to $10,000 plus GST per month, plus expenses, on September 24, 2014 (commencing on October 1, 2014).

Alan Wilson

Pursuant to this arrangement, we engaged Mr. Wilson to act as our Marketing Manager and provide us with financial product presentation. In exchange for these services, we agreed to pay Mr. Wilson a fee of $5,000 per month, plus expenses, until we commence greenhouse operations, which amount was increased to $7,500 per month, plus expenses, on January 31, 2014, and further increased to $10,000 per month, plus expenses, on September 24, 2014 (commencing on October 1, 2014).

2.8 Forward-Looking Information

In addition to the forward-looking statements that appear elsewhere in this offering memorandum, certain of our marketing materials include material forward-looking information and as such we are required to include it herein. The information is as follows:

- Based on the historic production costs of identical greenhouse systems built by Hydronov and the current and historic wholesale price of lettuce and baby leaf produce in Alberta, we anticipate generating an internal rate of return of between 22% and 38% by the completion of our fifth year of production.
- We expect that any fresh produce we are able to grow and sell will be transportable from "farm to shelf" in one day, as compared to an average of 3-4 days for non-local produce, thereby providing our future retail and wholesale partners with a larger sales window, reducing spoilage and allowing us to add a portion of the associated transportation savings to our bottom line.
- We expect to begin distributing dividends to our shareholders within one year of our proposed greenhouse facility reaching full production (approximately 18 months after the commencement of construction) provided we have established a three month operating reserve.
- We also project that our shareholders will receive annual dividend distributions of between $20,000 and $42,000 per $100,000 investment, depending on the market price per dozen heads of lettuce and per clamshell of baby leaf produce. We expect to begin making such distributions by the commencement of our second year of production; however, this may occur earlier provided we have accumulated three full months of operational capital.
- Once our cash flows have stabilized for a period of three years, we plan to begin actively soliciting an acquisition proposal for our proposed greenhouse facility from one or more food-based income funds. We may also explore other exit options for the benefit of our shareholders.
- We estimate that the value of our business could be more than three times the cost of constructing our proposed greenhouse facility. This number is based on our projected cash flows at maturity and the fact that a facility of similar size equipped with Hydronov's technology was recently sold for approximately $30 million.

ITEM 3 DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each of our directors, officers and promoters and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of our voting securities.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid in our most recently completed financial year and the compensation anticipated to be paid in our current financial year ($)	Number, type and percentage of our securities held after completion of minimum offering	Number, type and percentage of our securities held after completion of maximum offering
Greg Kurjata / Kurjata Ventures Inc. *Edmonton, AB*	President (April 8, 2013), Director (November 14, 2012), Financial Marketing Manager (July 8, 2011)	75,000 / 120,000 plus GST	500,000 Class A voting common shares	500,000 Class A voting common shares
Alan Wilson *North Vancouver, BC*	Product Marketing Manager (March 31, 2011)	75,000 / 120,000	500,000 Class A voting common shares	500,000 Class A voting common shares

3.2 Management Experience

Name	Principal occupation and related experience
Greg Kurjata	Mr. Kurjata gained experience in the commercial mortgage and real estate funding fields before moving into the realm of joint ventures and strategic alliances in 2009. From 2007 to 2009, he was licensed as a mortgage associate in the province of Alberta and since 2005, he has acted as the President of Kurjata Ventures Inc., a company he formed for the purpose of managing a variety of marketing and information production projects. Mr. Kurjata has raised capital for numerous projects from business start-ups to real estate developments and has extensive board experience in the nonprofit field, having served for six years as a director of the Canadian Foursquare Church from 2001 to 2007. While in this position, he acted as one of the key leaders of the Corporate Assessment 2 planning group that implemented organization-wide efficiency measures. Mr. Kurjata also developed a substantial volunteer leadership team while serving as the Church's Lead Pastor. He has lead and developed both corporate and nonprofit leadership teams and has extensive training in coaching, communication and marketing.

3.3 Penalties, Sanctions and Bankruptcy

None of our directors, executive officers or control persons has, within the past 10 years, been subject to any penalty or sanction, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

In addition, none of our directors, executive officers or control persons is, or within the past 10 years has been, a director, executive officer or control person of any issuer that, while that person was acting in such capacity, was subject to any penalty or sanction, was declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that issuer.

3.4 Loans

None.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

Description of security	Number authorized to be issued	Price per security ($)	Number outstanding as at March 31, 2014	Number outstanding after minimum offering	Number outstanding after maximum offering
Class A voting common shares	Unlimited	1.00	1,000,003	1,000,003	1,000,003
Class B voting common shares	Unlimited	1.00	1,051,500	1,051,500	4,500,000 (1)
Class C voting common shares	Unlimited	1.00	2,316,631	2,316,631	4,500,000 (1)
Class D voting common shares	Unlimited	1.00	200,000	200,000	200,000

(1) We only plan to issue a combined total of 4,500,000 Class B common voting shares and Class C voting common shares.

4.2 Long Term Debt Securities

None.

4.3 Prior Sales

Date of issuance	Type of security issued	Number of securities issued	Price per security ($)	Total funds received ($)
April 29, 2014	Class B voting common shares / Class C voting common shares	80,000 / 221,560	1.00	301,560
May 30, 2014	Class C voting common shares	333,281	1.00	333,281
July 31, 2014	Class B voting common shares / Class C voting common shares	45,000 / 121,316	1.00	166,316
September 30, 2014	Class B voting common shares / Class C voting common shares	16,000 / 280,941	1.00	296,941
December 22, 2014	Class B voting common shares / Class C voting common shares	10,000 / 35,983	1.00	45,983

Date of issuance	Type of security issued	Number of securities issued	Price per security ($)	Total funds received ($)
January 23, 2015	Class C voting common shares	42,434	1.00	42,434
March 18, 2015	Class B voting common shares / Class C voting common shares	37,500 / 159,616	1.00	197,116

ITEM 5 SECURITIES OFFERED

We are offering our Class B voting common shares at a price of $1.00 per Share with a minimum $25,000 investment (plus an optional loan of a minimum of $25,000) in $5,000 increments, and our Class C voting common shares at a price of $1.00 per Share with a minimum $5,000 investment in $1,000 increments from a qualified RRSP/RRIF/LIP/LIRA/TFSA.

As described above, we only plan to issue a combined total of 4,500,000 Class B common voting shares and Class C voting common shares.

5.1 Terms of Securities

Each Share is equal to every other Share with respect to all rights and restrictions, including the right to receive distributions from us. No Share has any conversion, exchange, pre-emptive or redemption rights in preference to any other Share. Each Share has one vote attached to it.

All classes of our shares will receive dividends from any income our board of directors decides to distribute to our shareholders an equal basis. Beginning in the 2nd quarter following the commencement of greenhouse operations, we anticipate distributing quarterly dividend payments to our shareholders, subject to our ability to pay such dividends.

Pursuant to our Articles, we are required to redeem every Share on the 10th anniversary of its date of issuance at the net asset value per Share at that time; provided, however, that we may not make any payment or provide any other consideration for the acquisition of any shares if there are reasonable grounds for believing that we are insolvent or the making of the payment or the provision of such consideration would render us insolvent.

Transfer of Shares

We have granted our shareholders the ability to transfer any Shares that they own on the last business day of any calendar month subject to our prior approval and upon the presentation to us of satisfactory evidence of compliance with all applicable securities and other laws. Upon the granting of such approval, any shareholder or his agent duly authorized in writing may transfer Shares to any person upon delivery to us of the certificate representing the Shares to be transferred together with a completed and properly executed instrument of transfer in a form acceptable to us with all signatures notarized or medallion guaranteed.

All transfers of Shares will be recorded in our securities register.

Management Earn-In Options

We plan to issue options to purchase Class A voting common shares at a price of $0.001 per share to Greg Kurjata, our President, Financial Marketing Manager and director, and Alan Wilson, our Product Marketing Manager, following the closing of the offering and upon the successful completion of the following milestones:

- Upon the completion of the maximum offering: an aggregate of 1,100,000 options on a pro rata basis; and
- Upon the successful commencement of greenhouse operations: an aggregate of 1,100,000 options on a pro rata basis.

In addition, we plan to issue options to purchase 100,000 Class D voting common shares to Mr. Kurjata at a price of $0.001 per share upon the successful commencement of greenhouse operations.

Optional Loan

Investors subscribing for our Class B voting common have the option to execute a promissory note for a minimum of $25,000 for the purpose of funding the construction and operation of our proposed hydroponic greenhouse facility. Each note is unsecured, non-interest bearing and has no specific terms of repayment, except that it will be repaid as our board of directors determines is in our best interests.

5.2 Subscription Procedure

You may subscribe for Shares by returning the following documents to us at the address listed on the cover page of this offering memorandum:

1. a completed subscription agreement substantially in the form accompanying this offering memorandum;
2. a completed risk acknowledgement in the form attached to the subscription agreement (Form 45-106F4) – please note that <u>you must keep a signed copy of this document for your records</u>;
3. a completed eligible investor form if you are investing $10,000 or more and are a resident of Alberta, Manitoba or Saskatchewan;
4. an optional executed promissory note for a minimum of $25,000 if you are subscribing for Class B voting common shares; and
5. a certified cheque, bank draft or evidence of a wire transfer from a qualified RRSP/RRIF/LIRA/LIP account in the amount of your investment payable to “BestGROW Greenhouses Ltd.”

We will hold your subscription funds in trust until midnight on the second business day after the day on which we receive your signed subscription agreement.

We have the right, in our sole discretion, to accept or to refuse to accept any Subscription. If, for any reason, we do not accept a Subscription, we will promptly return it and any subscription funds we receive to you without interest or deduction.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

The following summary is of a general nature only, has been prepared by us, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. The income tax consequences will vary depending on the particular circumstances of each investor. Accordingly, investors should consult their own professional advisers regarding the income tax consequences applicable to them as a result of any purchase of the Shares.

<u>Summary</u>

We are offering our Class B voting common shares at a price of $1.00 per Share with a minimum $25,000 investment (plus an optional loan of a minimum of $25,000), and our Class C voting common shares at a price of $1.00 per Share with a minimum $5,000 investment from a qualified RRSP/RRIF/LIP/LIRA/TFSA.

The repayment of the loan is presumed to be not taxable. Upon repayment of the loan we may disperse pro-rata distribution in the form of dividend income.

Upon our dissolution, which we anticipate will occur no more than 10 years from investment, an investor may elect to use capital gains exemptions as may be available to each investor.

<u>Qualified Investments for RRSPs, RRIFs, LIPs, LIRAs and TFSAs</u>

It is management's understanding that the Shares will be, on the date of their issuance, qualified investments under the *Income Tax Act* (Canada) for RRSPs, RRIFs, LIPs, LIRAs and TFSAs, subject to certain exceptions where eligibility is dependent upon the relationship of the investor to us. A Share may be a qualified investment for RRSP, RRIF, LIP or LIRA purposes provided, among other things, that each investor who is an annuitant, beneficiary or subscriber of the RRSP, RRIF, LIP, LIRA or TFSA, as applicable, is not a "connected shareholder" (as defined in the *Income Tax Act* (Canada)) immediately after acquiring the Shares.

Generally, a "connected shareholder" owns, or is deemed to own, 10% or more of the issued shares of any class of an issuer, or a corporation related to the issuer, or is related to a person who owns or is deemed to own 10% or more of such shares. A holder is deemed to own the shares of a company that are owned by a person with whom he or she does not deal at arm's length and, in some circumstances, shares which he or she has a right to acquire.

To the best of our knowledge, there are no corporations that are related to us for the purposes of this requirement.

However, not all securities are eligible for investment in a RRSP. You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

We are offering the Shares for sale directly through our directors, officers and founders in reliance upon exemptions from the prospectus and registration requirements of applicable securities legislation. In addition to the EMD, we also plan to engage one or more exempt market dealers to serve, on a non-exclusive basis, as our agent to offer the Shares for sale to eligible investors on a best efforts basis.

Except where prohibited under applicable securities legislation, we plan to pay a cash commission of up to 12.5% of the gross proceeds we receive from any investors introduced to us by agents (10% for the first $1,000,000 and 12.5% for any amounts over $1,000,000) in order to induce them to market our project aggressively. Our directors, officers and founders may also be eligible to receive an identical commission in respect of any Shares sold by them.

ITEM 8 RISK FACTORS

You should consider the following risks in connection with purchasing Shares in addition to the factors set forth elsewhere in this offering memorandum. Any, all or a portion of these risks, or other yet-to-be-unidentified or unforeseen risks may have a materially adverse effect on us, the Shares, the potential tax benefits of an investment in the Shares and/or returns to investors.

Investment Risks

Speculative Nature of Investment

This is a highly speculative offering. There is no assurance of a positive, or any, return on an investment in the Shares. The purchase of Shares involves a number of significant risk factors and is suitable only for investors who are able to risk a total loss of their investment and who have no immediate need for liquidity. We strongly recommends that, prior to purchasing any Shares, you review this offering memorandum in its entirety and consult with your own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in the Shares given your particular financial circumstances and investment objectives.

No Market for Shares

There is no market in which the Shares may be sold and there is no assurance that any market for the Shares will develop in the future. It may be difficult or impossible to resell your Shares or to pledge the Shares as collateral for a loan. Accordingly, an investment in the Shares should only be considered by investors who are able to bear the economic risk of a long-term investment and do not require liquidity. The Shares are also subject to resale restrictions under applicable securities legislation. See Item 10, "Resale Restrictions".

No Review by Regulatory Authorities

This offering memorandum constitutes a private offering of Shares by us only in those jurisdictions where and to those persons to whom they may be lawfully offered for sale under exemptions for the requirements of applicable securities legislation. This offering memorandum is not, and under no circumstances should it be construed as, a prospectus, advertisement or a public offering of the Shares. You will not receive the benefit of a review of this offering memorandum by any regulatory authority.

Arbitrary Determination of Price

The offering prices for the Shares were arbitrarily determined by management and are not based on any specific recognized criteria of value or other practices. In particular, you should recognize that since there is no market for the Shares it is impossible to determine the price, if any, at which the Shares would sell if a market did exist. In addition, the price per Share paid by an investor may be less or greater than our per Share net asset value at the time of purchase.

Risk of No Return on Investment

There is no assurance that our business will succeed, or that our business will generate sufficient income to allow you to recoup your investment through the distribution of dividends. There is also no assurance that an investment in the Shares will earn a specified rate of return or any return at all.

Uncertainty of Additional Financing

This offering is not subject to any minimum subscription level and there are no assurances that the funds raised under this offering memorandum will be sufficient to permit us to execute our business plan or objectives as contemplated herein. In addition, our ability to undertake our proposed greenhouse project is dependent upon our ability to obtain additional financing. We have not received any firm commitments regarding any such additional financing and there is no assurance that we will be able to arrange for such financing, or that such financing will be available to us on commercially reasonable terms. Our failure to obtain such financing on a timely basis or at all could result in, among other things, missed acquisition opportunities and reduced or terminated operations.

Tax Matters

Regardless of any tax benefits that you may obtain, your decision to purchase Shares should be based primarily on an appraisal of the merits of the investment and on your ability to bear the loss of your investment. If you are acquiring Shares with a view to obtaining potential tax advantages you should obtain independent tax advice from an advisor who is knowledgeable in the relevant areas of income tax law. Federal and provincial income tax legislation may be amended, or its interpretation changed.

<u>Issuer Risks</u>

Lack of Operating History and Nominal Net Worth

We are relying substantially on Hydronov's successful operating history to overcome our lack of operating history. Although we have completed a thorough due diligence review of Hydronov and its operating history and have confirmed the validity of its technology, this does not completely alleviate the potential risks we face as a start-up company with no history of business operations or earnings record and nominal non-cash assets.

There is no assurance that we will be able to successfully complete our equity round of financing and development plans or operate profitably over the short or long term. Currently, we do not own or have an interest in any food production projects. You will therefore need to rely on the expertise and good faith of our management to identify, acquire, develop and operate a commercially viable greenhouse project, and we cannot guarantee that our investigations and efforts will result in any such investigation, acquisition, development or operation. If our efforts are unsuccessful over a prolonged period of time, we may have insufficient working capital to continue to meet our ongoing obligations and our ability to obtain the additional financing necessary to continue our operations may also be adversely affected.

Reliance on Directors and Officers

We have a small management and development team and the unexpected loss of any of these individuals would have a serious impact on our business. We do not currently have any key-man insurance in place for any members of those teams. You will need to rely on the ability of our management and development team to develop our business and make appropriate decisions, and if you are not willing to rely on the discretion and judgment of those individuals you should not subscribe for any Shares. We also rely on a team of consultants to carry out our business objectives and the unexpected loss of any of these consultants could have a serious impact on our business.

Conflicts of Interest

Our sole director and officer is not in any way limited or affected in his ability to carry on other transactions or business ventures for his own account or for the account of others, and may be engaged in the ownership, acquisition and operation of businesses which compete with our proposed business. An investment in the Shares will not carry with it the right for either us or any investor to invest in any other property or venture of our current or future directors and officers or receive any interest therein or profit therefrom.

To the extent that an opportunity arises to enter into such an arrangement, our current or future directors and officers have the discretion to determine whether we will avail ourselves of the investment opportunity and, if we do not, any such individuals will be able to decide amongst themselves whether to pursue the opportunity for their respective accounts. If the investment opportunity did not arise solely from their activities on our behalf, our directors and officers have no obligation to offer the opportunity to us. We plan to deal with all future conflicts of interest in accordance with applicable laws, statutes and regulations.

Industry Risks

Development and Production Risks

An investment in the Shares is speculative and involves a high degree of risk due to our present stage of development since it is difficult to accurately project the cost of developing and constructing our proposed greenhouse facility due to the inherent uncertainties of identifying and securing a suitable site, governmental regulations, environmental controls and other factors beyond our control.

We have not entered into any binding contracts relating to the acquisition of any property nor have we executed any letters of intent. Our management will evaluate prospects on an ongoing basis in a manner consistent with industry standards, but our long-term success will depend on our ability to identify, acquire, develop and operate a commercially viable hydroponic greenhouse. No assurance can be given that we will be able to locate a satisfactory property to acquire. Moreover, if we are able to successfully identify an acquisition opportunity, we may determine that current markets, the terms of acquisition or pricing conditions render such an acquisition too risky.

While we have established certain internal guidelines with which to evaluate potential prospects, you should be aware that the net proceeds to be raised under this offering memorandum will be spent on properties that have not or may not yet be identified. Future expenditures may involve unprofitable efforts, not only from inadequate site selection, but from a project that is productive but does not produce sufficient net revenues to return a profit after development, operating and other costs. The completion of our production facility does not guarantee that we will generate a profit on our investment or recover our development, completion and operating costs. In addition, construction hazards or environmental damage could greatly increase our cost of operations, and various field operating conditions may adversely affect our production from a successful project.

These conditions include delays in obtaining governmental approvals or consents, shut down or reduced operations of facilities resulting from extreme weather conditions, lack of feedstock or water, fires, floods, freezing, spills and other natural disasters, insufficient storage or transportation capacity or other environmental and mechanical conditions. While close facility supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays, technological obsolescence and declines in production from normal operating conditions cannot be eliminated and can be expected to adversely affect our revenue and cash flow levels to varying degrees.

Prices, Markets and Marketing of Food Products

Food is a commodity whose price is determined based on demand, supply and other factors, all of which are beyond our control. Based on our completed location analysis, we have determined that there is little existing competition in the area in which we plan to operate from existing greenhouse operations focused on the production of lettuce. We have also confirmed that the production of our proposed products will be permitted by the appropriate marketing boards in both Alberta and British Columbia.

We have determined that there exists a market in Western Canada sufficient to absorb the total of the full production anticipated through our greenhouse operation; however, because the cost of energy represents a significant cost of our planned project and prices for electricity and other forms of energy used to produce electricity have fluctuated widely in recent years, as, an increase in energy prices could result in a decrease in our net production revenue.

Insurance

There are certain risks inherent in the operation of hydroponic greenhouses that could result in us becoming subject to liability for pollution, property damage, personal injury, death or other hazards. Although we intend to apply for insurance in accordance with industry standards to address such risks, such insurance has limitations that may not be sufficient to cover the full extent of any liabilities. In addition, such risks may not be insurable in all circumstances or we may elect not to obtain insurance to deal with specific risks in certain circumstances due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to us and the occurrence of a significant event that we are not fully insured against, or the insolvency of the insurer of such an event, could have a material adverse effect on our financial position, results of operations or prospects.

Environmental Risks

The discharge of hazardous substances or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require us to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or acquisition activities or otherwise adversely affect our financial condition, results of operations or prospects.

We anticipate fully complying with all local, provincial and federal environmental regulations and we do not anticipate encountering any development impediments from such compliance.

Government Regulation and Administrative Practices

The production of food products in Canada is subject to extensive government regulation. Our operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, property expropriation, pollution controls and changes in conditions under which food supplies may be produced, marketed and sold. There is no assurance that the laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in Canada will not be changed, applied or interpreted in a manner which will fundamentally alter our ability to develop, operate, produce or market our products. This includes the possibility of changes to regulations, policies or practices relating to prices, royalties, production, protectionist or other types of duties or tariffs, road access, land use, expropriation, environmental protection, or other protection of lands. The effect of these factors on us cannot be accurately predicted but they may have an adverse effect on return to investors. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest group or groups, may therefore have a detrimental effect on our business.

ITEM 9 REPORTING OBLIGATIONS

We are not a reporting issuer in any jurisdiction of Canada or elsewhere and do not intend to become a reporting issuer following the completion of this offering. As a result, we are not and will not be subject to any continuous disclosure requirements under applicable securities legislation, including, without limitation, requirements relating to the preparation and filing of audited annual financial statements and other financial information, the dissemination of news releases disclosing material changes in our business and affairs and the filing of material change reports.

Pursuant to the *Business Corporations Act* (Alberta), we are only required to send you our audited annual financial statements on an annual or ongoing basis, unless all of our shareholders (including those shareholders not otherwise entitled to vote) resolve not to appoint an auditor, in which case you will only receive financial statements prepared by management.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date we become a reporting issuer in any province or territory of Canada.

ITEM 11 PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

1. Two-Day Cancellation Right – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

2. Statutory Rights of Action in the Event of a Misrepresentation – If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

    (a) us to cancel your agreement to buy these securities, or

    (b) for damages against us, every person who was our director at the date of this offering memorandum and every other person who signed this offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

ITEM 12 FINANCIAL STATEMENTS

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BESTGROW GREENHOUSES LTD.

Condensed Interim Financial Statements

For the Three Months Ended November 30, 2014 and 2013

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim 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 interim 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.

BESTGROW GREENHOUSES LTD.
Statements of financial position
(Unaudited - prepared by management)
(Expressed in Canadian dollars)

	November 31, 2014 $	August 31, 2014 $
Assets		
Current assets		
Cash	86,233	212,360
Amounts receivable	38,166	20,102
Prepaid expenses and deposits (Notes 4 and 9)	837,061	783,431
Total current assets	961,460	1,015,893
Non-current assets		
Equipment (Note 3)	4,536	2,125
Total assets	965,996	1,018,018
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	14,874	26,076
Total liabilities	14,874	26,076
Shareholders' equity		
Share capital		
Common Shares		
Class "A" common shares	1,000,205	1,000,205
Class "B" common shares	926,300	912,300
Class "C" common shares	1,807,543	1,561,575
Class "D" common shares	200,000	200,000
Deficit	(2,982,926)	(2,682,138)
Total shareholders' equity	951,122	991,942
Total liabilities and shareholders' equity	965,996	1,018,018

Nature of operations and going concern (Note 1)
Commitments (Note 9)
Subsequent events (Note 10)

Approved and authorized for issuance by the Board of Directors on March 30, 2015:

/s/ "Greg Kurjata"

Greg Kurjata, Director

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

BESTGROW GREENHOUSES LTD.
Statements of operations and comprehensive loss
(Unaudited - prepared by management)
(Expressed in Canadian dollars)

	For the three months ended November 30, 2014 $	2013 $
Revenue	–	–
Expenses		
Depreciation	288	–
Filing fees	–	–
Management fees (Note 4)	60,000	55,000
Marketing and advertising	1,161	(106)
Office and miscellaneous	9,259	2,130
Professional fees	11,879	13,659
Research and consulting fees	102,805	11,193
Travel	5,996	2,752
Total expenses	191,388	84,628
Loss before other income	(191,388)	(84,628)
Other income (expenses)		
Government grant	9,100	–
Finance costs	(118,500)	–
Net loss and comprehensive loss	(300,788)	(84,628)
Basic and diluted loss per share	(0.07)	(0.03)
Weighted average shares outstanding	4,184,708	2,516,503

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

BESTGROW GREENHOUSES LTD.
Statements of changes in equity
(Unaudited - prepared by management)
(Expressed in Canadian dollars)

	Share capital											
	Class "A" common shares		Class "B" common shares		Class "C" common shares		Class "D" common shares					
	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	Share subscriptions receivable $	Share-based payment reserve $	Deficit $	Total shareholders' equity (deficit) $
Balance, August 31, 2014	1,000,003	1,000,205	988,000	912,300	1,797,657	1,561,575	200,000	200,000	–	–	(2,682,138)	991,942
Shares issued for private placements	–	–	16,000	16,000	280,941	280,941	–	–	–	–	–	296,941
Share issuance costs	–	–	–	(2,000)	–	(34,973)	–	–	–	–	–	(36,973)
Net loss for the period	–	–	–	–	–	–	–	–	–	–	(300,788)	(300,788)
Balance, November 30, 2014	1,000,003	1,000,205	1,004,000	926,300	2,078,598	1,807,543	200,000	200,000	–	–	(2,982,926)	951,122

	Share capital											
	Class "A" common shares		Class "B" common shares		Class "C" common shares		Class "D" common shares					
	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	Share subscriptions receivable $	Share-based payment reserve $	Deficit $	Total shareholders' equity (deficit) $
Balance, August 31, 2013	3	3	938,000	866,725	1,378,500	1,258,500	200,000	200,000	(54,000)	999,202	(2,233,875)	1,036,555
Share subscription receivable collected	–	–	–	–	–	–	–	–	8,000	–	–	8,000
Net loss for the period	–	–	–	–	–	–	–	–	–	–	(84,628)	(84,628)
Balance, November 30, 2013	3	3	938,000	866,725	1,378,500	1,258,500	200,000	200,000	(46,000)	999,202	(2,318,503)	959,927

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

BESTGROW GREENHOUSES LTD.
Statements of cash flows
(Unaudited - prepared by management)
(Expressed in Canadian dollars)

	For the three months ended November 30, 2014 $	2013 $
Operating activities		
Net loss for the period	(300,788)	(84,628)
Items not involving cash:		
Depreciation	288	–
Changes in non-cash working capital items:		
Amounts receivable	(18,064)	(954)
Prepaid expenses and deposits	(53,630)	(73,944)
Accounts payable and accrued liabilities	(11,202)	(3,806)
Net cash used in operating activities	(383,396)	(163,332)
Investing activities		
Purchase of equipment	(2,699)	–
Net cash used in investing activities	(2,699)	–
Financing activities		
Proceeds from issuance of shares	296,941	–
Proceeds from share subscriptions receivable	–	8,000
Share issuance costs	(36,973)	–
Repayment of related party loan	–	(25,000)
Net cash provided by (used in) financing activities	259,968	(17,000)
Change in cash	(126,127)	(180,332)
Cash, beginning of period	212,360	773,754
Cash, end of period	86,233	593,422
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

1. Nature of Operations and Continuance of Business

BestGROW Greenhouses Ltd. (the "Company") was incorporated under the laws of the Business Corporations Act of Alberta on January 31, 2011. The Company's head office and principal address is #103 – 18304 105th Avenue NW, Edmonton, AB, T5S 0C6, and its registered and records office is located at Suite 301,175 Fourth Avenue, Kamloops, BC, V2C 3N3.

The Company's principal business activity is to develop hydroponic greenhouse properties in Canada. The business of developing hydroponic greenhouse properties involves a high degree of risk and there can be no assurance that current development programs will result in profitable operations.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2014, the Company had an accumulated deficit of $2,982,926 and has no source of revenue. Until the Company generates revenue, its ability to continue to meet its obligations as they fall due depends on the Company's ability to raise funds from the issuance of common shares or debt of the Company, or to secure cash flows from its investors or operations. The Company is taking specific steps to raise such funds or secure such cash flows but as of the date of approval of the financial statements there is material uncertainty related to the above. 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 do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements do not include all of the information required for a complete set of IFRS financial statements. These condensed interim financial statements have been prepared using the same accounting policies as the annual financial statements for the year ended August 31, 2014.

(b) Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of equipment and deferred income tax asset valuation allowances. There are no judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following years.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(d) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2014, and have not been applied in preparing these condensed interim financial statements.

(i) IFRS 7, *Financial Instruments: Disclosures* (Amended)
(ii) IFRS 9, *Financial Instruments* (New)
(iii) IFRS 10, *Consolidated Financial Statements* (Amended)
(iv) IFRS 12, *Disclosure of Interests in Other Entities* (Amended)
(v) IFRS 15, *Revenue from Contracts with Customers* (New)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Equipment

	Computer Hardware $
Cost:	
Balance, August 31, 2014	2,550
Additions	2,699
Balance, November 30, 2014	5,249
Accumulated depreciation:	
Balance, August 31, 2014	425
Additions	288
Balance, November 30, 2014	713
Carrying amounts:	
As at August 31, 2014	2,125
As at November 30, 2014	4,536

4. Related Party Transactions

(a) During the three months ended November 30, 2014, the amount of $nil (2013 - $10,000) was incurred to the President of the Company for management fees. As at November 30, 2014, the Company had prepaid $7,975 (August 31, 2014 - $8,500) in management fees and $248 (November 30, 2014 - $822) in advances to the President of the Company.

(b) During the three months ended November 30, 2014, the amount of $30,000 (2013 - $nil) was incurred to a company controlled by the President of the Company for management fees.

(c) During the three months ended November 30, 2014, the amount of $nil (2013 - $35,000) was incurred to a former director of the Company for management fees.

(Expressed in Canadian dollars)

5. Share Capital

Authorized: Unlimited Class “A” voting common shares without par value
Unlimited Class “B” voting common shares without par value
Unlimited Class “C” voting common shares without par value
Unlimited Class “D” non-voting common shares without par value
Unlimited Class “E” non-voting preferred shares without par value

Share transactions during the three months ended November 30, 2014:

(a) On September 30, 2014, the Company issued 16,000 Class “B” common shares at $1.00 per share and 280,941 Class “C” common shares at $1.00 per share for total proceeds of $296,941.

(b) During the three months ended November 30, 2014, the Company incurred share issuance costs of $36,973.

During the three months ended November 30, 2013, the Company did not issue any common shares.

6. Stock Options

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, August 31, 2013	1,000,000	0.001
Exercised	(1,000,000)	0.001
Balance, August 31 and November 30, 2014	–	–

7. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company’s statement of financial position as at November 30, 2014 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2014 $
Cash	86,233	–	–	86,233

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

There were no transfers between Level 1 and Level 2 during the three months ended November 30, 2014.

7. Financial Instruments (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable mainly consists of GST receivable and government grants, which are due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company does not have any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company does not have any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

8. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share subscriptions receivable, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended August 31, 2014.

9. Commitments

(a) On February 8, 2013 (amended January and September 2014), the Company entered into an agreement with the President of the Company whereby the Company agreed to pay the President $10,000 per month for services rendered until terminated by the President or the Company, or until the greenhouse is in commercial operation, whichever event shall first occur.

(b) On February 8, 2013 (amended January and September 2014), the Company entered into an agreement with a consultant whereby the Company agreed to pay the consultant $10,000 per month for services rendered until terminated by the consultant or the Company, or until the greenhouse is in commercial operation, whichever event shall first occur.

9. Commitments (continued)

(c) On July 4, 2013 (amended August 8, 2014), the Company entered into a purchasing and service contract with Hydronov Inc., a non-related company, for the construction of a hydroponics production system for the greenhouse production of vegetables. In accordance with the amended agreement, the Company is committed to the following payment terms:

(i) $500,000 by wire transfer at contract signature (paid);
(ii) $260,000 for greenhouse confirmation (paid);
(iii) $500,000 for greenhouse confirmation before August 31, 2014;
(iv) $3,085,006 by wire transfer upon firm commitment from appointed lender;
(v) $5,000,000 guarantee by letter of guarantee or letter or credit;
(vi) $4,800,000 payable against bills of lading related to building, growing system and production equipment delivery; and
(vii) $200,000 after first harvest.

As at November 30, 2014, the Company has made payment of $760,000, which has been recorded as prepaid expense and deposits.

10. Subsequent Events

(a) On December 22, 2014, the Company issued 10,000 Class “B” common shares at $1.00 per share and 35,983 Class “C” common shares at $1.00 per share for proceeds of $45,983.

(b) On January 23, 2015, the Company issued 42,434 Class “C” common shares at $1.00 per share for proceeds of $42,434.

(c) On March 18, 2015, the Company issued 37,500 Class “B” common shares at $1.00 per share and 159,616 Class “C” common shares at $1.00 per share for proceeds of $197,116.

BESTGROW GREENHOUSES LTD.

Financial Statements

For the Years Ended August 31, 2014 and 2013

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of BestGROW Greenhouses Ltd.

We have audited the accompanying financial statements of BestGROW Greenhouses Ltd. (the "Company"), which comprise the statements of financial position as at August 31, 2014 and 2013, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related noted comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the 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 in our audits 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 BestGROW Greenhouses Ltd. as at August 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of BestGROW Greenhouses Ltd. to continue as a going concern.

Saturna Group LLP

Vancouver, Canada

December 22, 2014

BESTGROW GREENHOUSES LTD.
Statements of financial position
(Expressed in Canadian dollars)

	August 31, 2014 $	August 31, 2013 $
Assets		
Current assets		
Cash	212,360	773,754
Amounts receivable	20,102	914
Prepaid expenses and deposits (Notes 4 and 10)	783,431	301,719
Total current assets	1,015,893	1,076,387
Non-current assets		
Equipment (Note 3)	2,125	–
Total assets	1,018,018	1,076,387
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	26,076	14,832
Loan payable – related party (Note 4)	–	25,000
Total liabilities	26,076	39,832
Shareholders’ equity		
Share capital		
Common Shares		
Class “A” common shares	1,000,205	3
Class “B” common shares	912,300	866,725
Class “C” common shares	1,561,575	1,258,500
Class “D” common shares	200,000	200,000
Share subscriptions receivable	–	(54,000)
Share-based payment reserve	–	999,202
Deficit	(2,682,138)	(2,233,875)
Total shareholders’ equity	991,942	1,036,555
Total liabilities and shareholders’ equity	1,018,018	1,076,387

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on December 22, 2014:

/s/ “Greg Kurjata”

Greg Kurjata, Director

(The accompanying notes are an integral part of these financial statements)

BESTGROW GREENHOUSES LTD.
Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended August 31, 2014 $	Year ended August 31, 2013 $
Revenue	–	–
Expenses		
Depreciation	425	–
Filing fees	1,340	3,080
Management fees (Note 4)	224,000	235,400
Marketing and advertising	13,159	10,577
Office and miscellaneous	32,907	7,754
Professional fees	71,834	78,786
Research and consulting fees	138,485	58,051
Share-based compensation (Notes 4 and 6)	–	1,344,202
Travel	16,877	45,412
Total expenses	499,027	1,783,262
Loss before other income	(499,027)	(1,783,262)
Other income		
Government grant	50,764	–
Net loss and comprehensive loss	(448,263)	(1,783,262)
Basic and diluted loss per share	(0.17)	(1.50)
Weighted average shares outstanding	2,634,811	1,192,596

(The accompanying notes are an integral part of these financial statements)

BESTGROW GREENHOUSES LTD.
Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital											
	Class "A" common shares		Class "B" common shares		Class "C" common shares		Class "D" common shares		Share subscriptions receivable	Share-based payment reserve	Deficit	Total shareholders' equity (deficit)
	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	Number of shares	Amount $	$	$	$	$
Balance, August 31, 2012	3	3	100,000	100,000	110,000	110,000	–	–	–	–	(450,613)	(240,610)
Shares issued for private placements	–	–	738,000	738,000	1,223,500	1,223,500	–	–	(54,000)	–	–	1,907,500
Share issuance costs	–	–	–	(71,275)	–	(120,000)	–	–	–	–	–	(191,275)
Shares issued for services	–	–	100,000	100,000	45,000	45,000	200,000	200,000	–	–	–	345,000
Fair value of stock options vested	–	–	–	–	–	–	–	–	–	999,202	–	999,202
Net loss for the year	–	–	–	–	–	–	–	–	–	–	(1,783,262)	(1,783,262)
Balance, August 31, 2013	3	3	938,000	866,725	1,378,500	1,258,500	200,000	200,000	(54,000)	999,202	(2,233,875)	1,036,555
Shares issued for private placements	–	–	125,000	125,000	676,157	676,157	–	–	–	–	–	801,157
Share issuance costs	–	–	–	(4,425)	–	(116,082)	–	–	–	–	–	(120,507)
Shares issued for exercise of stock options	1,000,000	1,000,202	–	–	–	–	–	–	–	(999,202)	–	1,000
Proceeds from share subscriptions	–	–	–	–	–	–	–	–	8,000	–	–	8,000
Rescission of common shares	–	–	(75,000)	(75,000)	(211,000)	(211,000)	–	–	–	–	–	(286,000)
Cancellations of common shares	–	–	–	–	(46,000)	(46,000)	–	–	46,000	–	–	–
Net loss for the year	–	–	–	–	–	–	–	–	–	–	(448,263)	(448,263)
Balance, August 31, 2014	1,000,003	1,000,205	988,000	912,300	1,797,657	1,561,575	200,000	200,000	–	–	(2,682,138)	991,942

(The accompanying notes are an integral part of these financial statements)

BESTGROW GREENHOUSES LTD.
Statements of cash flows
(Expressed in Canadian dollars)

	Year ended August 31, 2014 $	Year ended August 31, 2013 $
Operating activities		
Net loss for the year	(448,263)	(1,783,262)
Items not involving cash:		
Depreciation	425	–
Share-based compensation	–	1,344,202
Changes in non-cash working capital items:		
Amounts receivable	(19,188)	(914)
Prepaid expenses and deposits	(481,712)	(301,719)
Accounts payable and accrued liabilities	11,244	(40,258)
Due to related parties	–	(165,100)
Net cash used in operating activities	(937,494)	(947,051)
Investing activities		
Purchase of equipment	(2,550)	–
Net cash used in investing activities	(2,550)	–
Financing activities		
Proceeds from issuance of shares	810,157	1,907,500
Share issuance costs	(120,507)	(191,275)
Return of proceeds for rescission of common shares	(286,000)	–
Repayment of related party loan	(25,000)	–
Net cash provided by financing activities	378,650	1,716,225
Change in cash	(561,394)	769,174
Cash, beginning of year	773,754	4,580
Cash, end of year	212,360	773,754
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

BestGROW Greenhouses Ltd. (the "Company") was incorporated under the laws of the Business Corporations Act of Alberta on January 31, 2011. The Company's head office and principal address is #103 – 18304 105th Avenue NW, Edmonton, AB, T5S 0C6, and its registered and records office is located at Suite 301,175 Fourth Avenue, Kamloops, BC, V2C 3N3.

The Company's principal business activity is to develop hydroponic greenhouse properties in Canada. The business of developing hydroponic greenhouse properties involves a high degree of risk and there can be no assurance that current development programs will result in profitable operations.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at August 31, 2014, the Company had an accumulated deficit of $2,682,138 and has no source of revenue. Until the Company generates revenue, its ability to continue to meet its obligations as they fall due depends on the Company's ability to raise funds from the issuance of common shares or debt of the Company, or to secure cash flows from its investors or operations. The Company is taking specific steps to raise such funds or secure such cash flows but as of the date of approval of the financial statements there is material uncertainty related to the above. 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 do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

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

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the measurement of share-based payments, the useful life and recoverability of equipment, and deferred income tax asset valuation allowances. There are no judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following years.

2. **Significant Accounting Policies** (continued)

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in fair value to be cash equivalents.

(e) Equipment

The Company depreciates the cost of computer hardware on a straight-line basis over its estimated useful life of three years.

(f) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss is stated at fair value with any gain or loss recognized in the statement of operations. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any available-for-sale financial assets.

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

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

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and loan payable to a related party.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant Accounting Policies (continued)

(h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at August 31, 2014, the Company had nil (2013 – 1,000,000) potential dilutive shares outstanding.

(i) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have items representing comprehensive income or loss.

(j) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(k) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended August 31, 2014, and have not been applied in preparing these financial statements.

IFRS 9, "Financial Instruments"

IFRS 10, "Consolidated Financial Statements" and

IFRS 11, "Joint Arrangements"

IFRS 12, "Disclosure of interests in Other Entities"

IFRS 13, "Fair Value Measurement"

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(k) Accounting Standards Issued But Not Yet Effective (continued)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Equipment

	Computer Hardware $
Cost:	
Balance, August 31, 2012 and 2013	–
Additions	2,550
Balance, August 31, 2014	2,550
Accumulated depreciation:	
Balance, August 31, 2012 and 2013	–
Additions	425
Balance, August 31, 2014	425
Carrying amounts:	
As at August 31, 2013	–
As at August 31, 2014	2,125

4. Related Party Transactions

(a) During the year ended August 31, 2014, the amount of $15,000 (2013 - $59,750) was incurred to the President of the Company for management fees. As at August 31, 2014, the Company had prepaid $8,500 (2013 - $nil) in management fees and $822 (2013 - $nil) in advances to the President of the Company.

(b) During the year ended August 31, 2014, the amount of $60,000 (2013 - $nil) was incurred to a company controlled by the President of the Company for management fees.

(c) During the year ended August 31, 2014, the amount of $nil (2013 - $16,400) was incurred to the former President of the Company for management fees.

(d) During the year ended August 31, 2014, the amount of $74,000 (2013 - $59,750) was incurred to a former director of the Company for management fees.

(e) During the year ended August 31, 2014, the amount of $nil (2013 - $45,000) was incurred to a company controlled by the former Vice President of the Company for management fees.

(f) As at August 31, 2014, the Company owed $nil (2013 - $25,000) to a company controlled by the former Vice President of the Company. The amount owing is unsecured, non-interest bearing, and due on demand.

(g) During the year ended August 31, 2013, the Company granted 500,000 stock options to purchase Class "A" common shares of the Company with a fair value of $499,601 to the President of the Company. During the year ended August 31, 2014, the Company issued 500,000 Class "A" common shares for proceeds of $500 pursuant to the exercise of stock options.

5. Share Capital

Authorized: Unlimited Class “A” voting common shares without par value
Unlimited Class “B” voting common shares without par value
Unlimited Class “C” voting common shares without par value
Unlimited Class “D” non-voting common shares without par value
Unlimited Class “E” non-voting preferred shares without par value

Share transactions during the year ended August 31, 2014:

(a) The Company issued 125,000 Class “B” common shares at a price of $1.00 per share for proceeds of $125,000.

(b) The Company issued 676,157 Class “C” common shares at a price of $1.00 per share for proceeds of $676,157.

(c) The Company repurchased 50,000 Class “C” common shares that were previously issued in exchange for the return of proceeds of $50,000.

(d) The Company distributed a notice to its shareholders and provided them with the option to rescind their investment in the Company. As a result of this rescission offer, the Company rescinded 75,000 Class “B” common shares at $1.00 per share and 161,000 Class “C” common shares were rescinded at a price of $1.00 per share for total return of proceeds of $236,000.

(e) The Company cancelled 46,000 Class “C” common shares that were previously issued due to non-payment of subscriptions.

(f) The Company issued 1,000,000 Class “A” common shares at a price of $0.001 per share for total proceeds of $1,000 pursuant to the exercise of the 1,000,000 stock options. The fair value of the stock options exercised of $999,202 was reallocated from share-based payment reserve to Class “A” common shares.

(g) The Company paid share issuance costs of $120,507 for the issuance of common shares.

Share transactions during the year ended August 31, 2013:

(a) The Company issued 738,000 Class “B” common shares at a price of $1.00 per share for proceeds of $738,000.

(b) The Company issued 100,000 bonus Class “B” common shares with a fair value of $100,000 to investors in consideration for their early investment.

(c) The Company issued 1,223,500 Class “C” common shares at a price of $1.00 per share for proceeds of $1,223,500. As at August 31, 2013, the Company had share subscriptions receivable of $54,000.

(d) The Company issued 45,000 Class “C” common shares with a fair value of $45,000 to two individuals for services received.

(e) The Company issued 200,000 Class “D” common shares with a fair value of $200,000 to the former President of the Company for services received.

(f) During the year ended August 31, 2013, the Company paid share issuance costs of $191,275.

(Expressed in Canadian dollars)

6. Stock Options

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, August 31, 2012	–	–
Granted	1,000,000	0.001
Balance, August 31, 2013	1,000,000	0.001
Exercised	(1,000,000)	0.001
Balance, August 31, 2014	–	–

The weighted average fair value of stock options granted was $nil (2013 - $1.00) per option. The fair value for the stock options vested during the period was $nil (2013 - $999,202) using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2014	2013
Risk-free interest rate	–	2.18%
Expected life (in years)	–	10
Expected volatility	–	70%

7. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at August 31, 2014 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, August 31, 2014 $
Cash	212,360	–	–	212,360

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and loan payable – related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

(Expressed in Canadian dollars)

7. **Financial Instruments** (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST receivable and government grants, which are due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company does not have any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company does not have any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

8. **Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share subscriptions receivable, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended August 31, 2013.

9. **Income Taxes**

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2014 $	2013 $
Canadian statutory income tax rate	25.00%	25.00%
Income tax recovery at statutory rate	(112,066)	(445,816)
Tax effect of:		
Permanent differences and other	(29,890)	288,548
Change in valuation allowance	141,956	157,268
Income tax provision	–	–

(Expressed in Canadian dollars)

9. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities are as follows:

	2014 $	2013 $
Deferred income tax assets		
Non-capital losses carried forward	359,153	231,666
Share issuance costs	52,724	38,255
Valuation allowance	(411,877)	(269,921)
Net deferred income tax asset	–	–

As at August 31, 2014, the Company has non-capital losses carried forward of $1,436,610, which are available to offset future years' taxable income. These losses expire as follows:

	$
2031	66,929
2032	383,684
2033	476,052
2034	509,945
	1,436,610

10. Commitments

(a) On February 8, 2013, the Company entered into an agreement with the President of the Company whereby the Company agreed to pay the President $5,000 per month for services rendered until terminated by the President or the Company, or until the greenhouse is in commercial operation, whichever event shall first occur. In January 2014, the Company amended the agreement to increase the monthly payments to $7,500. Refer to Note 11(b).

(b) On February 8, 2013, the Company entered into an agreement with a consultant whereby the Company agreed to pay the consultant $5,000 per month for services rendered until terminated by the consultant or the Company, or until the greenhouse is in commercial operation, whichever event shall first occur. In January 2014, the Company amended the agreement to increase the monthly payments to $7,500. Refer to Note 11(c).

(c) On July 4, 2013, the Company entered into a purchasing and service contract with Hydronov Inc., a non-related company, for the construction of a hydroponics production system for the greenhouse production of vegetables. In accordance with the agreement, the Company is committed to the following payment terms:

(i) $300,000 upon the signing of the agreement (paid);
(ii) $2,648,787 upon commitment of financing from an approved lender; and
(iii) $5,500,000 upon the approval of a letter of guarantee or letter of credit.

On August 8, 2014, the payment schedule was amended as follows:

(i) $500,000 by wire transfer at contract signature (paid);
(ii) $260,000 for greenhouse confirmation (paid);
(iii) $500,000 for greenhouse confirmation before August 31, 2014;
(iv) $3,085,006 by wire transfer upon firm commitment from appointed lender;
(v) $5,000,000 guarantee by letter of guarantee or letter or credit;
(vi) $4,800,000 payable against bills of lading related to building, growing system and production equipment delivery; and
(vii) $200,000 after first harvest.

As at August 31, 2014, the Company has made payment of $760,000, which has been recorded as prepaid expense and deposits.

11. Subsequent Events

(a) On September 30, 2014, the Company issued 16,000 Class "B" common shares at $1.00 per share and 280,941 Class "C" common shares at $1.00 per share for proceeds of $296,941.

(b) In September 2014, the Company amended its agreement with the President of the Company to increase the monthly payment from $7,500 per month to $10,000 per month. Refer to Note 10(a).

(c) In September 2014, the Company amended its agreement with a consultant of the Company to increase the monthly payment from $7,500 per month to $10,000 per month. Refer to Note 10(b).

(d) On December 22, 2014, the Company issued 10,000 Class "B" common shares at $1.00 per share and 35,983 Class "C" common shares at $1.00 per share for proceeds of $45,983.

ITEM 13 DATE AND CERTIFICATE

Dated: April 28, 2015

This Offering Memorandum does not contain a misrepresentation.

“Greg Kurjata”
Greg Kurjata
President, Director

Form 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing $____________ in total; this includes any amount I am obliged to pay in future. BestGROW Greenhouses Ltd. will pay $_____________ of this to __________________ as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

______________________________	______________________________
Date	Signature of Purchaser
	______________________________
	Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

W A R N I N G

You have 2 business days to cancel your purchase.

To do so, send a notice to BestGROW Greenhouses Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to BestGROW Greenhouses Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name:	BestGROW Greenhouses Ltd.
Address:	#103, 18304 – 105 Avenue, Edmonton, AB T5S 0C6
Telephone:	780-297-6081
Fax:	780-487-0070
Email:	info@bestgrow.ca

You are buying exempt market securities.

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum.

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice.

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed.

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer.

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission
T: (403) 297-6454
www.albertsecurities.com

British Columbia Securities Commission
T: (604) 899-6500
www.bcsc.bc.ca

Manitoba Securities Commission
T: (204) 945-2548
www.msc.gov.mb.ca

Saskatchewan Financial Services Commission
T: (306) 787-5879
www.sfsc.gov.sk.ca