



OFFERING MEMORANDUM

Date: May 5, 2015

THE ISSUER

Name: Medipure Holdings Inc. ("we", "us", "our")

Head Office: Suite 404, 999 Canada Place, Vancouver, British Columbia, V6C 3E2

Telephone: 604.202.3601

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Fax: 888.908.3051

Where currently listed or quoted? Canadian Securities Exchange (the "CSE")

Reporting issuer jurisdictions? British Columbia, Alberta and Ontario

THE OFFERING

Securities Offered:	Common shares (each, a "Share")
Price per Share:	\$0.80
Minimum Offering:	There is no minimum. You may be the only purchaser. Funds available under this offering may not be sufficient to accomplish our proposed objectives.
Maximum Offering:	\$750,000
Minimum Subscription Amount:	There is no minimum subscription amount an investor must invest.
Payment Terms:	Cheques, money orders, bank drafts or wire transfers delivered to us with a signed Subscription Agreement, Risk Acknowledgment and any other applicable document.
Proposed Closing Date(s):	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 <i>Income Tax Consequences and RRSP Eligibility</i> .
Selling Agent:	Yes. See Item 7 <i>Compensation Paid to Sellers and Finders</i> .

Resale Restrictions

You will be restricted from selling your securities for 4 months and a day. See Item 10 *Resale Restrictions*.

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 *Purchasers' Rights*.

No securities regulatory authority 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 *Risk Factors*.

Forward Looking Statements

Certain statements contained in this offering memorandum, including the financial statements included herein that are not historical may be considered “**forward looking statements**” and are prospective. These forward looking statements sometimes include words to the effect that we or our management believe or expect a stated condition or result. All estimates and all statements that describe our objectives, goals, or future plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements due to any number of factors, including, but not limited to, fluctuations in interest rates, political and economic conditions, industry competition and our ability to attract and retain key personnel. We do not undertake to review or update these forward looking statements. See Item 8 *Risk Factors*.

Item 1. Use of Available Funds

1.1 Available Funds

We have set a maximum offering of **\$750,000**. The following table describes the funds that may be available to use as a result of the offering:

	Assuming min offering (\$)	Assuming max. offering (\$)
A Amount to be raised by this offering	0	750,000
B Selling commissions and fees ⁽¹⁾	0	60,000
C Estimated offering costs (e.g., legal and accounting)	10,000	10,000
D Available funds: $D = A - (B + C)$	(10,000)	680,000
E Additional sources of funding required	-	-
F Working capital deficiency	931,316 ⁽²⁾	931, 316 ⁽²⁾
G Total: $G = (D + E) - F$	(941,316)	(261,316)

⁽¹⁾ See Item 7 *Compensation Paid to Sellers and Finders*.

⁽²⁾ As of May 4, 2015.

1.2 Use of Available Funds

We plan to spend the available funds as follows:

Description of intended use of available funds listed in order of priority	Assuming min offering (\$)	Assuming max. offering (\$)
Operations and research and development for next quarter	0	400,000
Construction, engineering and facilities development	0	350,000
General and administrative expenses	0	150,000
Total	(941,316)	900,000

1.3 Reallocation

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

1.4 Insufficient Funds

The funds available as a result of this offering may not be sufficient to accomplish all of our proposed objectives, and there is no assurance that alternative financing will be available.

Item 2. Information About Us

2.1 Business Summary

We intend to be at the forefront of cannabinoid research for the development of treatments to satisfy unmet medical needs. With a primary focus in the areas of oncology, rheumatology, dermatology and neurology, through key research and development, and co-development of multi-centre clinical trials, our plan is to provide Canadian physicians with efficacy data, dosage guidelines and defined precautions to help strengthen their knowledge and support their ability to prescribe proper dosages with defined health objectives.

Our team brings extensive experience in the development of cannabinoid-based medicines as prescription pharmaceutical products. We maintain in-house control over all aspects of the product development process - botanical research, extraction technology, formulation into drug delivery technologies, clinical trials and regulatory affairs.

We intend to be a research-focused producer and distributor of medical marijuana. We are in the process of applying for a license under the *Marihuana for Medical Purposes Regulations* (the “**MMPR**”) in order to produce marijuana for medicinal clinical trials and commercial production and distribution across Canada (a “**Producer’s License**”). The MMPR became the law on 2014 1, 2014 after the former laws for medicinal marijuana in Canada under the *Marihuana Medical Access Regulation* (the “**MMAR**”) were repealed. We submitted an application for an MMPR Producer’s License to Health Canada on June 3, 2014 and are in the process of submitting further information to Health Canada to satisfy all aspects of development as part of the approval process.

In support of our MMPR application, we retained significant technical and intellectual assets for the development of a medicinal marijuana business through an asset purchase agreement on May 16, 2014. To further help our business succeed we also completed the purchase of a newly constructed growing facility in November 2014, located in Maple Ridge, British Columbia. (the “**Maple Ridge Property**”). Our new production and research facility is presently undergoing electrical security upgrades to a ‘level 9’ designation, as per interim feedback of the Producer’s License application. While we are confident in our application to Health Canada, there is no guarantee that we will receive such approval.

We have assembled key personnel to lead our research and development team. Our research team represents a leading standard of research in the industry, and will lead the operations within the clinical and laboratory trial aspects of the business.

Once we have begun initial production, we will begin planning to expand our production facility. This will involve the addition of a significantly larger production facility in order to support our long term strategic plan. As we reach milestones in our strategic plan, further rounds of financing will be necessary to provide for continued growth of the business.

Production

Our R&D team has made clear short, medium, and long-term goals presented in a well-developed work plan. In a time frame of 11-13 months we expect our first derivative product to be in markets. After strain/formulation selection, our products will be chemically and biologically characterized for active phytocannabinoids. To determine the preclinical efficacy and toxicology, *in vitro* and *in vivo* models will be used. After determining safe and effective human equivalent doses, these proprietary products will be clinically tested first in healthy (to establish safety/side effects), and then patients in a randomized, double-blind, and placebo and active comparator-controlled trials.

Our long term goals are to identify and develop proprietary products in our four areas of focused research (oncology, dermatology, neurology, and rheumatology) using staggered product development cycles. We have a proprietary production process to grow high-yield and high-quality plants in order to optimize the development of pharmaceutical derivatives to treat various conditions and symptoms of patients. Our R&D team, in close partnership with plant production staff, will facilitate the identification of promising proprietary strains with specific pharmacological activities in order to develop novel pharmaceutical derivatives. Each project and targeted disease will be subjected to specific and proprietary strain selection and development of cannabinoid products, optimization of cannabinoid purification, specific preclinical experimental model selection and experimentation, clinical studies, and finally up-scaling the purification process for promising drug molecules.

2.2 Existing Documents Incorporated by Reference

Information has been incorporated by reference into this offering memorandum from documents listed in the table below, which have been filed with securities regulatory authorities or regulators in Canada. The documents incorporated by reference are available for viewing on the SEDAR website at www.sedar.com. In addition, copies of the documents may be obtained on request without charge from:

Bacchus Law Corporation

Suite 1820, 925 West Georgia Street
Vancouver, BC V6C 3L2
Contact: Penny Green
Telephone: 604.632.1700

Documents listed in the table and information provided in those documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement in this offering memorandum or in any other subsequently filed document that is also incorporated by reference in this offering memorandum.

Description of document	Date of document
Amended Material Change Report and Notice of Change in Corporate Structure announcing the completion of a statutory arrangement with Noor Energy Corp. and Medipure Pharmaceuticals Inc., our wholly-owned subsidiary	October 29, 2014

Audited financial statements of Medipure Pharmaceuticals Inc. for the period from incorporation on February 12, 2014 to June 30, 2014	October 29, 2014
CSE Listing Application	November 6, 2014
Material Change Report announcing that our common shares commenced trading on the CSE under symbol MDH	November 12, 2014
Material Change Report announcing that Medipure Pharmaceuticals Inc. completed the purchase of the Maple Ridge Property	January 16, 2015
Condensed consolidated interim financial statements for the period ended December 31, 2014	March 2, 2015
Management's discussion and analysis for the period ended December 31, 2014	March 3, 2015

2.3 Existing Documents Not Incorporated By Reference

Other documents available on the SEDAR website (for example, most press releases, take-over bid circulars, prospectuses and rights offering circulars) are not incorporated by reference into this offering memorandum unless they are specifically referenced in the table above. Your rights as described in item 11 of this offering memorandum apply only in respect of information contained in this offering memorandum and documents or information incorporated by reference.

2.4 Existing Information Not Incorporated By Reference

Not applicable.

2.5 Future Documents Not Incorporated by Reference

Documents filed after the date of this offering memorandum are not deemed to be incorporated into this offering memorandum. However, if you subscribe for securities and an event occurs, or there is a change in our business or affairs, that makes the certificate to this offering memorandum no longer true, we will provide you with an update of this offering memorandum, including a newly dated and signed certificate, and will not accept your subscription until you have re-signed the agreement to purchase the securities.

Item 3. Interests of Directors, Executive Officers, Promoters and Principal Holders

3.1 Identity

Name and municipality of principal residence	Position(s)
Boris Weiss North Vancouver, BC	President, CEO, Director
Samantha Shorter Vancouver, BC	CFO
Mark Donahue Boston, MA	Director
Lorne Nystrom Regina, SK	Director

3.2 Further Information

You can obtain further information about directors and executive officers from our CSE Listing Application.

3.3 Current Information

Current information regarding the securities held by directors, executive officers and principal holders can be obtained from the SEDI website at www.sedi.ca. We cannot guarantee the accuracy of this information.

3.4 Loans

None.

Item 4. Capital Structure

Description of security	Number authorized to be issued (#)	Price Per Security (\$)	Number outstanding as at May 4, 2015 (#)	Number outstanding after min. offering (#)	Number outstanding after max. offering (#)
Common Shares	No maximum	-	8,446,155	8,446,155	9,383.655

Item 5. Securities Offered

5.1 Terms of Securities

Meeting Attendance and Voting Rights

The holders of our Shares are entitled to receive notice of, attend and vote at all meetings of shareholders. Each Share entitles the holder to one vote.

Redemption and Retraction Rights

There are no redemption or retraction rights attached to our Shares.

Dividends

Our Board of Directors may declare dividends on our Shares in such amounts, at such times and in such a manner as the directors may determine in their absolute discretion, subject to the provisions of the *Business Corporations Act* (British Columbia).

5.2 Subscription Procedure

- (a) To subscribe for the Shares offered hereunder, you must complete and deliver to us on or before May 29, 2015 or such other date as our Board of Directors may determine:
 - (i) a signed and completed Subscription Agreement;
 - (ii) a signed and completed Risk Acknowledgement in the form attached to the Subscription Agreement, unless you are a resident of Ontario;
 - (iii) if you are a resident of Alberta, Manitoba, the Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or the Yukon and are investing \$10,000 or more, a signed and completed Eligible Investor Questionnaire in the form attached to the Subscription Agreement;

- (iv) if you are a resident of Ontario, a signed and completed Accredited Investor Questionnaire;
 - (v) if you are a resident of the United States of America, a signed and completed U.S. Accredited Investor Questionnaire; and
 - (v) a cheque, money order, bank draft or wire transfer for the full amount of the subscription price payable to "**Medipure Holdings Inc.**"
- (b) Funds delivered to us for purchase of the Shares will be held in trust by us for a period of two days from the date that we receive the Subscription Agreement and payment from you.
 - (c) Subscriptions for Shares will be received, subject to rejection and allotment, in whole or in part, and subject to our right to close the subscription books at any time without notice. We reserve the right to reject any subscription for Shares in whole or in part. If a subscription for Shares is not accepted, we will promptly return all subscription proceeds to the purchaser without interest.

Closings may occur periodically as determined by our Board of Directors. It is expected that certificates representing the Shares will be available for delivery within a reasonable period of time after the relevant closing date(s).

Distribution

This offering is being conducted in all provinces and territories of Canada pursuant to exemptions from the prospectus requirements. We are relying on the following exemptions and any others that may be available:

- (i) the exemption afforded by Section 2.9 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**") for investors (other than residents of Ontario) who purchase as principals and receive this offering memorandum prior to signing any of the documents in the Appendices;
- (ii) the exemption afforded by Section 2.3 of NI 45-106 for investors resident in Ontario (and other jurisdictions in Canada) who purchase as principals and are accredited investors; and
- (iii) the exemption afforded by Section 2.10 of NI 45-106 investors who purchase as principal and invest at least \$150,000.

The foregoing exemptions relieve us from the obligation under applicable securities legislation to file and obtain a receipt for a prospectus. Accordingly, prospective investors will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

Prospective investors residing in the province of Ontario or in the United States of America may receive a copy of this offering memorandum but are not entitled to subscribe for Shares on the basis of the exemption in Section 2.9 of NI 45-106. Instead, such investors may only subscribe for Shares on the basis of other available exemptions in that instrument, and in particular, the exemption found in Section 2.3 for accredited investors.

Item 6. Income Tax Consequences and RRSP Eligibility

6.1 Independent Professional Adviser

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

6.2 *Income Tax Consequences*

Tax consequences are not a material aspect of the securities being offered.

6.3 *RRSP Eligibility*

In the opinion of Legacy Tax + Trust Lawyers, special tax counsel, based on the provisions of the *Income Tax Act (Canada)* (the “**Tax Act**”), on the date of this offering memorandum, provided that the Shares are listed on a “designated stock exchange” as defined in the Tax Act (which includes the CSE), the Shares will on issuance be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan or a tax-free savings account (“**TFSA**”), each as defined in the Tax Act.

Notwithstanding the foregoing, if the Shares are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF (a “**Registered Plan**”), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (such holder or annuitant being a “Controlling Individual” of the Registered Plan) will be subject to a penalty tax on the Shares as set out in the Tax Act. However, the Shares will generally not be a “prohibited investment” for a trust governed by a Registered Plan held by a particular holder provided that the Controlling Individual deals at arm’s length with us for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in us. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in us if the Registered Plan, the Controlling Individual, and other persons not at arm’s length with the Controlling Individual together, directly or indirectly, own not less than 10% of our outstanding Shares or of any other corporation that is related to us. Controlling Individuals should consult their own tax advisors as to whether the Shares will be a “prohibited investment” in their particular circumstances.

Prospective purchasers who intend to hold Shares in their TFSA, RRSP or RRIF should consult their own tax advisors regarding their particular circumstances.

Item 7. **Compensation Paid to Sellers and Finders**

We intend to pay the following compensation to finders in connection with this offering: (i) a maximum of 8% cash; and (ii) the issuance of warrants equal to 8% of the number of Shares sold to purchasers introduced by finders, with each warrant granting the right to purchase one Share at a price of \$0.80 per Share for a period of one year.

Item 8. **Risk Factors**

This offering and any investment in the Shares involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this offering memorandum before deciding whether to purchase any Shares. If any of the following risks actually occur, our business, financial condition and results of operations could be harmed and you may lose all or part of your investment.

We lack an operating history and have not yet received a Production License. There is no assurance that our future operations will result in revenues or profits. If we cannot generate sufficient revenues to operate profitably, we may suspend or cease our operations.

We are a start-up company and we do not have an operating history. We have not received a Production License from Health Canada and there can be no assurance that we will receive a Production License. Until we receive a Production License, we cannot begin the production, sale and distribution of medical marijuana. It is currently not known when or if we will be granted a Production License. The key milestones to obtaining a Production License include filing an application, receiving a “Ready to Build” notice,

completion of the upgrades as per the application, approval to produce upon inspection of the facility, and approval to distribute the product to patients.

We will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risks that we will be unable to acquire the necessary Production License, successfully produce the product, or establish a market for our product. If we receive a Production License, we anticipate that it will take at least 12 months to achieve positive cash flow from operations. There can be no assurance that consumer demand for our product will be as anticipated, or that we will become profitable.

We will need a significant amount of capital to carry out our proposed business plan, and unless we are able to raise sufficient funds, we may be forced to discontinue our operations.

We are in the development stage, have not started operating and have not generated any revenue. The building and operation of medical marijuana facilities and business are capital intensive. We will likely operate at a loss until our business becomes established and we will require additional financing in order to fund future operations and expansion plans. Our ability to secure any required financing to commence and sustain our operations will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to secure any additional financing or additional financing on terms satisfactory to our management. If additional financing is raised by issuing Shares in our authorized capital, control may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may be required to scale back our business plan or cease operating.

We are subject to a variety of laws, regulations and guidelines. Changes to such laws, regulations and guidelines may cause negatively impact our operations.

Our business will be subject to particular laws, regulations, and guidelines, particularly MMPR and Health Canada. The production and distribution of medical marijuana is a highly regulated field. Our operations will be subject to regulations relating to the manufacture, management, transportation, storage and disposal of medical marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Although we intend to comply with all laws and regulations, there is no guarantee that the governing laws and regulations will not change, outside of our control.

On March 21, 2014, the Federal Court of Canada issued an order allowing certain individuals to continue under their MMAR licenses, thereby affecting the repeal of the MMAR. As of the date of this offering memorandum, the Government of Canada has decided to appeal the order; however, it is unclear what a final ruling on this issue may be, and how it may affect our business. It is possible that a ruling in favour of the original order could allow persons who had a license under the MMAR to opt out of the new MMPR regime, thereby decreasing the size of the market for our business, and potentially materially and adversely affecting our business, financial condition and operations.

Availability of Seed Supply and Skilled Labour.

Our ability to commence and continue operations will be dependent on our ability to acquire starting materials. There are four legal sources of starting materials under the MMPR: Health Canada; Personal-Use Production License holders under the MMAR regime; Designated-Person Production License holders under the MMAR regime; and importation, and there is no guarantee that we will be able to acquire seeds from such sources. Further, our ability to maintain operations will be dependent on access to skilled labour. There is no guarantee that we will be successful in maintaining our supply of skilled labour, and a failure to do so would limit our ability to produce the predicted amounts of product. This would have an adverse effect on our operations and financial results.

We will likely face intense competition from other companies. Increased competition by larger and better financed competitors could materially and adversely affect our business and financial condition.

Although the market for our product does appear to be sizeable, we expect significant competition from other companies due to the recent nature of the MMPR regime. Because of early stage of the industry in which we operate, we expect to face additional competition from new entrants. A large number of companies have applied for Production Licenses, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, production, marketing, and sale of their products and services, and may have more extensive customer bases and broader customer relationships.

Should the size of the medical marijuana market increase as projected, the demand for product will increase as well, and if we hope to be competitive we will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If we are not successful in achieving sufficient resources to invest in these areas, our ability to compete in the market may be adversely affected, which could materially and adversely affect our business, its financial condition and operations.

We are subject to unfavorable consumer perception.

We believe the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of our products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows. Our dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on us, the demand for our products, and our business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or our products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

We will be exposed to product liability claims, which could negatively impact the results of our operations and our financial condition.

As a manufacturer and distributor of products designed to be ingested by humans, we will face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of our products may involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential

liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our potential products.

We may be subject to product recalls.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we will have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of our significant brands were subject to recall, our image and the image of that brand could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on the results of our operations and our financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

No assurance can be given that we will be able to manage our advertising and promotional costs on a cost-effective basis.

Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional costs, including our ability to (i) create brand recognition for our product; (ii) determine appropriate advertising strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for our business in the future, or will generate awareness of our product or testing services.

Our success depends in part on our ability to attract and retain additional key skilled professionals, which we may or may not be able to do. Our failure to do so could prevent us from achieving our goals or becoming profitable.

Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

We are subject to risks inherent in the agricultural business.

Since our business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include plant disease and insect pests, among others. Although we are required by the MMPR to grow our product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on our ability to produce medical marijuana in a cost-effective manner.

We will depend on fast and efficient courier services. Any prolonged disruption or increase in costs associated such services may adversely impact our business and our ability to operate profitably.

By law, medical marijuana must be delivered by courier directly to patient customers. The ability to obtain speedy, cost-effective and efficient transport services will be essential to the lengthy operations of our business. Should such transportation become unavailable for prolonged periods of time, there may be a material adverse effect on our business, financial situation and operations.

Our assets, operations and employees will be exposed to operational risks. We will obtain insurance coverage for such risks, however liability may exceed indemnity coverage.

We intend to obtain insurance to protect our assets, operations and employees. While we believe insurance coverage can adequately address all material risks to which we may be exposed and will be adequate and customary in our current and future state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which we are exposed. In addition, no assurance can be given that such insurance will be adequate to cover our liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If we were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if we were to incur such liability at a time when it is not able to obtain liability insurance, our business, results of operations and financial condition could be materially adversely affected.

We may be subject to growth-related risks including capacity constraints and pressure on internal systems and controls.

Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Our inability to deal with this growth may have a material adverse effect on our business, financial condition, results of operations and prospects.

Conflicts of interest may exist for directors and officers.

Certain of our directors and officers are also directors and officers of other companies, and conflicts of interest may arise between their duties as our officers and directors and as officers and directors of such other companies.

We have not and do not foresee issuing shareholder dividends.

We have no earnings or dividend record, and do not anticipate paying any dividends on the Shares in the foreseeable future. Dividends paid by us would be subject to tax and, potentially, withholdings.

We are subject to environmental and employee health and safety regulations for which we must incur compliance costs. Failure to comply with the regulations could result in adverse sanctions.

Our operations will be subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. We will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

Item 9. Reporting Obligations

Since our Shares are listed on the CSE and we are a reporting issuer, we are required to comply with the provisions of National Instrument 51-102 *Continuous Disclosure Obligations*, which includes the periodic

filing of our financial statements and reporting all material information. We are also required to send a management information circular

Item 10. Resale Restrictions

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon:

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 in Canada unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the distribution date.

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.

11.1 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.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering memorandum, you may have a statutory right to sue:

- (a) us to cancel your agreement to buy these securities, or
- (b) for damages against us.

This statutory right to sue may be available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence 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 the purchase of the Shares. You must commence an action for damages within the earlier of 180 days after you have knowledge of the facts giving rise to the cause of action and three years after the purchase of the Shares.

11.3 Contractual Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering memorandum, you may have a contractual right to sue us:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue may be available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that we prove does not represent the

depreciation in value of the securities resulting from the misrepresentation. We have a defence if we prove that 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 Shares. 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 Shares.

Item 12. Financial Statements

Audited financial statements for the year ended June 30, 2014

Unaudited interim financial statements for the period ended December 31, 2014

MEDIPURE PHARMACEUTICALS INC.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON FEBRUARY 12, 2014 TO JUNE 30 2014

INDEPENDENT AUDITORS' REPORT

To the Directors of
Medipure Pharmaceuticals Inc.

We have audited the accompanying financial statements of Medipure Pharmaceuticals Inc., which comprise the statement of financial position as at June 30, 2014, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on February 12, 2014 to June 30, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained in our audit 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 Medipure Pharmaceuticals Inc. as at June 30, 2014 and its financial performance and its cash flows for the period from incorporation on February 12, 2014 to June 30, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Medipure Pharmaceuticals Inc.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

September 2, 2014

MEDIPURE PHARMACEUTICALS INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

June 30,
2014

ASSETS

Current

Cash	\$ 304,140
Receivables	<u>8,531</u>

312,671

Deposits (Note 4)	74,000
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Deferred facility costs (Note 4)	54,300
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Plan of arrangement (Note 5)	19,900
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Equipment (Note 6)	<u>22,970</u>
---------------------------	---------------

\$ 483,841

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities	<u>\$ 81,713</u>
--	------------------

Shareholders' equity

Share capital (Note 7)	655,679
------------------------	---------

Share-based payments reserve (Note 7)	751,397
---------------------------------------	---------

Deficit	<u>(1,004,948)</u>
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402,128

\$ 483,841

Nature and continuance of operations (Note 1)

Plan of arrangement (Note 5)

Subsequent events (Note 13)

Approved and authorized by the Board on September 2, 2014.

"Boris Weiss"

Director

"Lorne Nystrom"

Director

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

MEDIPURE PHARMACEUTICALS INC.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the period from incorporation on February 12, 2014 to June 30, 2014
EXPENSES	
Administration	\$ 46,364
Consulting fees	117,500
Office expenses	12,222
Professional fees	44,771
Share-based payments (Note 7)	766,397
Travel	<u>17,694</u>
Loss and comprehensive loss for the period	\$ (1,004,948)
Basic and diluted loss per common share	\$ (0.23)
Weighted average number of common shares outstanding	4,346,943

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

MEDIPURE PHARMACEUTICALS INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

For the period
from
incorporation
on February
12, 2014 to
June 30, 2014

CASH FROM OPERATING ACTIVITIES	
Loss for the period	\$ (1,004,948)
Share-based payments	766,397
Changes in non-cash working capital items:	
Receivables	(8,531)
Accounts payable and accrued liabilities	<u>27,413</u>
Net change used in operating activities	<u>(219,669)</u>
CASH FROM INVESTING ACTIVITIES	
Deposit on property	(74,000)
Purchase of equipment	<u>(7,970)</u>
Net change used in investing activities	<u>(81,970)</u>
CASH FROM FINANCING ACTIVITIES	
Proceeds from share issuances	625,679
Advance on plan of arrangement	<u>(19,900)</u>
Net change from financing activities	<u>605,779</u>
Change in cash for the period	304,140
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 304,140</u>

Significant non-cash transactions for the period included the Company issuing 107,143 common shares valued at \$30,000 for certain assets and compensation for industry expertise (Note 6) and accruing \$54,300 in deferred facility costs through accounts payable and accrued liabilities.

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

MEDIPURE PHARMACEUTICALS INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share capital		Share-based payments reserve	Deficit	Total
	Number	Amount			
Balance at February 12, 2014 (inception)	10	\$ 1	\$ -	\$ -	\$ 1
Repurchase of incorporation shares	(10)	(1)	-	-	(1)
Shares issued for cash	7,762,763	625,679	751,397	-	1,377,076
Shares issued for assets (Note 6)	107,143	30,000	-	-	30,000
Loss for the period	-	-	-	(1,004,948)	(1,004,948)
Balance at June 30, 2014	7,869,906	\$ 655,679	\$ 751,397	\$ (1,004,948)	\$ 402,128

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Medipure Pharmaceuticals Inc. (the “Company”) was incorporated under the Business Corporations Act, British Columbia on February 12, 2014. The Company’s head office is located at #404 – 999 Canada Place, Vancouver, BC, V6C 3E2. The Company’s registered and records office address is Suite 1820 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

The Company is focused on the research and development in the field of cannabinoid science and the commercialization of cannabinoid molecules. The Company has applied for a license under the Marihuana for Medical Purposes Regulations (“MMPR”) program administered by Health Canada. As at June 30, 2014, the Company does not have a license with the MMPR and no products are in commercial production or use.

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

The Company is in the process of executing a Plan of Arrangement (Note 5) with the intention of becoming a reporting issuer.

2. BASIS OF PREPARATION

Statement of Compliance

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

Basis of Presentation

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

Estimates

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

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions that have been made that relate to the following key estimates:

2. BASIS OF PRESENTATION (cont'd...)

Estimates (cont'd...)

Share-based payments and compensation

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration and shares determined to have been issued at a discount. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services. As a private company, the Company estimates the fair value of shares issued with reference to private placements with arm's length parties.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

3. SIGNIFICANT ACCOUNTING POLICIES

Impairment of long-lived assets

The Company's long-lived assets are reviewed for indications of impairment at the date of preparing each statement of financial position. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying value of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets. For the purpose of impairment testing, the Company determined it has one cash-generating unit.

The recoverable amount is the greater of the asset's fair value less cost to sell and value in use. In assessing fair value less cost to sell for the cash-generating unit, the Company's market capitalization is considered.

Equipment

The Company has acquired equipment in anticipation of proceeding with cannaboid research under an MMPR license. The equipment is not yet in use and therefore not subject to depreciation.

Costs incurred toward the construction of a research facility on lands subject to purchase will be deferred and capitalized. If the land purchase does not complete, these costs will be expensed.

Provisions

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

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

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

Research and development costs

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Investment tax credits related to current expenditures are included in the determination of net income as the expenditures are incurred when there is reasonable assurance they will be realized.

Research expenditures are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Upon a determination that the criteria to capitalize development expenditures, the expenditures capitalized will include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures will be expensed as incurred.

Capitalized development expenditures will be measured at cost less accumulated amortization and accumulated impairment losses. No development costs have been capitalized to date.

Financial instruments

Financial assets

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

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

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

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

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

Financial instruments (cont'd...)

Financial assets (cont'd...)

The Company has classified its cash at fair value through profit and loss. The Company's receivables are classified as loans and receivables.

Financial liabilities

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

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

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

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

Basic and diluted loss per share

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

Share-based payments

Share based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments granted to non-employees are accounted for as equity settled share based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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

Income taxes (cont'd...)

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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

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

4. DEPOSITS

The Company has entered into a Purchase and Sale Agreement for a parcel of land in Maple Ridge, BC. The Company has forwarded a deposit of \$60,000 toward the purchase. Additionally, the Company has incurred \$54,300 in engineering and design fees toward the construction of a facility on the land which have been deferred and capitalized.

The Company has also provided a deposit of \$14,000 toward future facility development.

5. PLAN OF ARRANGEMENT

In June, 2014, the Company entered into an Arrangement Agreement with Noor Energy Corporation ("Noor") and its subsidiary, Medipure Holdings Inc. ("Medipure Holdings"), for the purpose of becoming a public company. Pursuant to the Arrangement Agreement:

- 1) the Company shall purchase all the issued and outstanding shares of Medipure Holdings from Noor for consideration of \$20,000 (of which \$19,900 had been advanced as at June 30, 2014);
- 2) Medipure Holdings shall acquire all the outstanding shares of the Company from all the Company's shareholders through a 1-for-1 share exchange;
- 3) Noor shall issue 5,000 of its common shares to Medipure Holdings and receive in exchange 360,000 common shares of Medipure Holdings (the "Distribution Shares");
- 4) the Distribution Shares shall be distributed as dividends to Noor's shareholders on a pro rata basis; and
- 5) the controlling shareholder in Noor shall cancel 160,000 Distribution Shares in Medipure Holdings to which he would otherwise be entitled immediately upon distribution, resulting in a net distribution of 200,000 shares to the Noor shareholders.

The proposed Arrangement Agreement is subject to approval by the Company's shareholders and the Supreme Court of British Columbia.

6. EQUIPMENT

As at June 30, 2014, the Company purchased, at a price of \$7,970, lighting equipment for future use in its proposed research facility (Note 4).

Additionally, the Company issued 107,143 shares valued at \$30,000 to a Director of the Company for assorted equipment and supplies and industry knowledge. The equipment and supplies have been ascribed a value of \$15,000. The balance has been expensed as share-based payments attributed to the expertise of the Director.

7. SHARE CAPITAL

Authorized share capital

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

Issued share capital

During the period from inception on February 12, 2014 to June 30, 2014, the Company:

- a) Issued 3,500,000 common shares at a price of \$0.005 per share for gross proceeds of \$17,500.
- b) Issued 2,889,988 common shares at a price of \$0.02 per share for gross proceeds of \$57,800. The shares were determined to have a fair value of \$0.28 per share; accordingly, the Company recognized the difference of \$751,397 as share-based payments expense.
- c) Issued 115,143 common shares at a price of \$0.28 per share for gross proceeds of \$32,240.
- d) Issued 107,143 shares valued at \$30,000 for the purchase of certain equipment and expertise (Note 6).
- e) Issued 1,257,632 common shares at a price of US\$0.38 per share for gross proceeds of \$518,139 (US\$477,900).

8. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer and Directors of the Company. The remuneration of key management personnel included payment or accrual of consulting fees of \$109,500 to the Chief Executive Officer, two Directors and a significant shareholder.

Share-based payments expense of \$751,397 was recognized on the sale of 2,889,988 common shares to a company with a significant shareholding in the Company and a director in common.

The Company issued 107,143 shares valued at \$30,000 to a Director of the Company for assorted equipment and industry knowledge. The equipment has been ascribed a value of \$15,000. The balance of the value of the shares has been expensed as share-based payments attributed to the expertise of the Director.

As at June 30, 2014, there was an amount of \$8,931 included in accounts payable and accrued liabilities due to two directors with respect to the above transactions and for expense reimbursements. In addition, an amount of \$2,000 is included in receivables owing from a significant shareholder.

9. INCOME TAXES

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

	For the period from incorporation on February 12, 2014 to June 30, 2014
Loss for the period before income tax	\$ (1,004,948)
Expected income tax recovery	\$ (261,000)
Expenses not deductible for income tax purposes	200,000
Change in unrecognized deductible temporary differences	<u>61,000</u>
Total income tax (recovery)	\$ -

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

	June 30, 2014
Operating losses carried forward expiring in 2034	\$ <u>251,000</u>
Net unrecognized deductible temporary differences	<u>\$ 251,000</u>

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

10. SEGMENT INFORMATION

The Company operates in one business segment which is the research and development of cannabinoid products in Canada.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

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

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

The fair value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Risk management

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company has ensured, as far as reasonably possible, it will have sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. Management believes that these sources will be sufficient to cover the likely short term cash requirements. The Company's cash is available on demand by the Company for its programs.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash denominated in United States dollars. Management believes the risk is not currently significant as cash balances in USD are minimal.

12. CAPITAL MANAGEMENT

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

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

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

13. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2014, the Company:

a) Issued 50,000 common shares to settle accounts payable of \$19,000.

b) Issued 100,000 common shares at a price of \$0.80 per share for gross proceeds of \$80,000.



MEDIPURE HOLDINGS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE PERIOD ENDED DECEMBER 31 2014

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MEDIPIRE HOLDINGS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

AS AT

	December 31, 2014	June 30, 2014
ASSETS		
Current		
Cash	\$ 61,314	\$ 304,140
Receivables	20,811	8,531
Prepays	<u>4,962</u>	<u>-</u>
	87,087	312,671
Deposits (Note 5)	15,500	74,000
Plan of arrangement (Note 2)	-	19,900
Property and equipment (Note 6)	<u>1,073,410</u>	<u>77,270</u>
	<u>\$ 1,175,997</u>	<u>\$ 483,841</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 67,851	\$ 81,713
Shareholder loan (Note 10)	58,000	-
Convertible debenture (Note 7)	348,320	-
Mortgage (Note 8)	<u>544,232</u>	<u>-</u>
	1,018,403	81,713
Shareholders' equity		
Share capital (Note 9)	948,447	655,679
Subscriptions received in advance (Note 16)	140,999	-
Equity component of convertible debenture (Note 7)	1,514	-
Share-based payments reserve (Note 9)	751,397	751,397
Deficit	<u>(1,684,764)</u>	<u>(1,004,948)</u>
	<u>157,594</u>	<u>402,128</u>
	<u>\$ 1,175,997</u>	<u>\$ 483,841</u>
Plan of arrangement (Note 2)		
Commitment (Note 15)		
Subsequent event (Note 16)		

Approved and authorized by the Board on March 2, 2015.

"Boris Weiss"

Director

"Lorne Nystrom"

Director

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

MEDI-PURE HOLDINGS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	For the three months ended December 31, 2014	For the six months ended December 31, 2014
EXPENSES		
Consulting fees	\$ 60,815	\$ 94,315
Depreciation (Note 6)	4,196	4,196
Filing fees and transfer agent	683	17,963
Interest expense	11,793	11,793
Investor communications	18,308	26,568
Management fees	50,120	86,120
Office and miscellaneous	12,771	25,996
Professional fees	34,712	84,609
Rent and property costs	4,990	4,990
Research and development	59,000	59,000
Salaries and compensation	57,072	65,072
Telecommunications	7,378	7,378
Travel and entertainment	2,007	3,829
Listing expense (Note 2)	<u>187,988</u>	<u>187,988</u>
Loss and comprehensive loss for the period	\$ (511,833)	\$ (679,815)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.08)
Weighted average number of common shares outstanding	8,198,710	8,066,645

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

MEDI-PURE HOLDINGS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

For the six
months ended
December 31,
2014

CASH FROM OPERATING ACTIVITIES

Loss for the period	\$ (679,815)
Accrued interest expense	11,793
Depreciation	4,196
Shares issued for debt	18,152
Listing expense	187,888
Changes in non-cash working capital items:	
Receivables	(11,033)
Prepays	(962)
Accounts payable and accrued liabilities	<u>(47,914)</u>
Net change used in operating activities	<u>(517,695)</u>

CASH FROM INVESTING ACTIVITIES

Deposits on property and facility costs	(1,500)
Facility costs	(29,715)
Purchase of property and equipment	<u>(888,957)</u>
Net change used in investing activities	<u>(920,172)</u>

CASH FROM FINANCING ACTIVITIES

Proceeds from share issuances	260,999
Share issuance costs	(6,232)
Shareholder loan	58,000
Convertible debenture	350,000
Transaction costs on convertible debenture	(5,000)
Mortgage proceeds	590,000
Financing costs on mortgage	(48,600)
Interest paid	<u>(4,126)</u>
Net change from financing activities	<u>1,195,041</u>

Change in cash for the period (242,826)

Cash, beginning of period 304,140

Cash, end of period \$ 61,314

Supplemental disclosure with respect to cash flows (Note 11)

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

MEDIPIRE HOLDINGS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	<u>Share capital</u>						
	Number	Amount	Subscriptions received in advance	Equity component of convertible debenture	Share-based payments reserve	Deficit	Total
Balance at February 12, 2014 (inception)	10	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Repurchase of incorporation shares	(10)	(1)	-	-	-	-	(1)
Shares issued for cash	7,762,763	625,679	-	-	751,397	-	1,377,076
Shares issued for assets (Note 6)	107,143	30,000	-	-	-	-	30,000
Loss for the period	-	-	-	-	-	(1,004,948)	(1,004,948)
Balance at June 30, 2014	7,869,906	655,679	-	-	751,397	(1,004,948)	402,128
Shares issued for debt (Note 9)	50,000	19,000	-	-	-	-	19,000
Shares issued for cash	150,000	120,000	-	-	-	-	120,000
Share issuance costs	-	(6,232)	-	-	-	-	(6,232)
Shares issued for the acquisition of Medipure Holdings Inc. (Note 2)	200,000	160,000	-	-	-	-	160,000
Subscriptions received in advance (Note 16)	-	-	140,999	-	-	-	140,999
Issuance of convertible debt (Note 7)	-	-	-	1,514	-	-	1,514
Loss for the period	-	-	-	-	-	(679,815)	(679,815)
Balance at December 31, 2014	8,269,906	\$ 948,447	\$ 140,999	\$ 1,514	\$ 751,397	\$ (1,684,763)	\$ 157,594

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

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

1. NATURE AND CONTINUANCE OF OPERATIONS

Medipure Holdings Inc. (the "Company") was incorporated under the Business Corporations Act, British Columbia on June 20, 2014 and is the legal parent of Medipure Pharmaceuticals Inc. ("Medipure Pharmaceuticals"). The Company's head office is located at #404 – 999 Canada Place, Vancouver, BC, V6C 3E2. The Company's registered and records office address is Suite 1820 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

On October 29, 2014, the Company executed a Plan of Arrangement (Note 2); as a result of this transaction, these financial statements have been presented as a continuation of Medipure Pharmaceuticals. On November 7, 2014, the Company began trading on the Canadian Securities Exchange ("Exchange") under the symbol "MDH".

The Company is focused on the research and development in the field of cannabinoid science and the commercialization of cannabinoid molecules. The Company has applied for a license under the Marihuana for Medical Purposes Regulations ("MMPR") program administered by Health Canada. As at December 31, 2014, the Company does not have a license with the MMPR and no products are in commercial production or use. The Company has not been granted an MMPR license and will be required to satisfy additional obligations in order to qualify including completing construction of a compliant facility on its land in Maple Ridge, BC (Note 6). There is a significant risk that the Company may not receive an MMPR license which will inhibit its access to cannabinoid products for execution of its intended research and development programs. The Company is working diligently to comply with all requirements of Health Canada.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. As at December 31, 2014, the Company had a working capital deficit of \$931,316 (June 30, 2014 – working capital of \$230,958) and an accumulated deficit of \$1,687,764 (June 30, 2014 - \$1,004,948). The Company has incurred a loss since inception. The ability of the Company to continue as a going concern in the long-term depends upon its ability to obtain licensing, develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and research programs. These conditions indicate the existence of a material uncertainty that may give rise to significant doubt about the entity's ability to continue as a going concern.

2. PLAN OF ARRANGEMENT

In June 2014, the Company entered into an Arrangement Agreement with Noor Energy Corporation ("Noor"), former parent to the Company, and Medipure Pharmaceuticals, for the purpose of becoming a public company. The Plan of Arrangement was executed on October 29, 2014. Pursuant to the Arrangement Agreement:

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

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

2. PLAN OF ARRANGEMENT (cont'd...)

As a result of the Arrangement Agreement, the former shareholders of Medipure Pharmaceuticals, for accounting purposes, are considered to have acquired control of the Company ("RTO"). Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Medipure Pharmaceuticals is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on February 12, 2014 are included in the consolidated financial statements at their historical carrying value. The condensed consolidated interim financial statements are a continuation of Medipure Pharmaceuticals in accordance with IFRS 3, Business Combinations. The Company's results of operations are included from October 29, 2014 onwards. At the time of the execution of the Arrangement, the Company had net assets totalling \$(7,988) consisting of receivables of \$4,399 and payables of \$12,387.

The listing expense of \$187,988 was determined as follows:

- Number of common shares of the Company held by former Medipure Pharmaceuticals shareholders outstanding prior to the RTO was 8,069,906 or 97.58% of the combined entity.
- Number of outstanding share of the Company prior to the RTO is determined to be 200,000 or 2.42% of the combined entity.
- Estimated fair value of Medipure Pharmaceuticals being \$6,455,925 based on the financing price of \$0.80 per common share completed at the time the RTO was executed. The Company had a fair value of \$160,000 under these measurements.
- The difference between the fair value of \$160,000 being the consideration paid and the estimated fair value of the net assets of the Company of \$(7,998), in addition to the payment made to the Noor shareholders of \$20,000, amounts to a listing expense of \$187,988.

3. BASIS OF PREPARATION**Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements of Medipure Pharmaceuticals for the period from incorporation on February 12, 2014 to June 30, 2014. Pursuant to the changes in the Company following the execution of the Arrangement Agreement, the Company has adopted additional accounting policies in the current period as outlined in Note 4.

The financial statements of the Company are presented in Canadian dollars, which is its functional currency.

Basis of Consolidation and Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiary, Medipure Pharmaceuticals. All significant intercompany transactions and balances have been eliminated.

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

3. BASIS OF PREPARATION (cont'd...)**Estimates**

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

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions that have been made that relate to the following key estimates:

Carrying value of long term assets and recoverability

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's land, assets under construction and other property and equipment.

Management evaluates the legal standing of the assets, reviews progress and development of the assets under construction and reviews for other indicators of impairment such as changing market conditions, barriers to access and use and management's intent for future use.

Share-based payments and compensation

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration and shares determined to have been issued at a discount. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services. Prior to listing on the Exchange, the Company estimated the fair value of shares issued with reference to private placements with arm's length parties. The Company continues to be thinly traded and will continue this basis for measurement until such time that an active market is established for the Company's equity.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

Income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

MEDIPURE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

4. SIGNIFICANT ACCOUNTING POLICIES**Impairment of long-lived assets**

The Company's long-lived assets are reviewed for indications of impairment at the date of preparing each statement of financial position. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying value of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets. For the purpose of impairment testing, the Company determined it has one cash-generating unit.

The recoverable amount is the greater of the asset's fair value less cost to sell and value in use. In assessing fair value less cost to sell for the cash-generating unit, the Company's market capitalization is considered.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized using the declining balance method at the following rates:

Office furniture and equipment	20%
Computer equipment	30%

Costs incurred toward the construction of a research facility on the Company's land will be deferred and capitalized until the facility is considered substantially complete and ready for use.

Provisions

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

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

Research and development costs

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Investment tax credits related to current expenditures are included in the determination of net income as the expenditures are incurred when there is reasonable assurance they will be realized.

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Research and development costs (cont'd...)**

Research expenditures are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Upon a determination that the criteria to capitalize development expenditures, the expenditures capitalized will include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures will be expensed as incurred.

Capitalized development expenditures will be measured at cost less accumulated amortization and accumulated impairment losses. No development costs have been capitalized to date.

Financial instrumentsFinancial assets

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

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

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

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

The Company has classified its cash as fair value through profit or loss. The Company has classified its receivables as loans and receivables.

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Financial instruments (cont'd...)**Financial liabilities

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

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

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

The Company's accounts payable and accrued liabilities, shareholder loan, convertible debenture and mortgage are classified as other financial liabilities.

Basic and diluted loss per share

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

Share-based payments

Share based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments granted to non-employees are accounted for as equity settled share based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Income taxes (cont'd...)**

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

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

New standard not yet adopted

IFRS 9 *Financial Instruments (Revised)* was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 *Financial instruments: recognition and measurement*. The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

5. DEPOSITS

The Company has provided deposits of \$15,500 toward future facility development on its parcel of land in Maple Ridge, BC.

6. PROPERTY AND EQUIPMENT

	Land	Assets under construction	Computer equipment	Office equipment	Total
Cost					
Balance, February 12, 2014	\$ -	\$ -	\$ -	\$ -	\$ -
Additions for the period	-	54,300	-	22,970	77,270
Balance, June 30, 2014	-	54,300	-	22,970	77,270
Additions for the period	928,630	45,428	23,383	2,895	1,000,336
Balance, December 31, 2014	\$ 928,630	\$ 99,728	\$ 23,383	\$ 25,865	\$ 1,077,606
Accumulated depreciation					
Balance, February 12, 2014	\$ -	\$ -	\$ -	\$ -	\$ -
and June 30, 2014	-	-	-	-	-
Depreciation for the period	-	-	1,754	2,442	4,196
Balance, December 31, 2014	\$ -	\$ -	\$ 1,754	\$ 2,442	\$ 4,196
Carrying amounts					
As at June 30, 2014	\$ -	\$ 54,300	\$ -	\$ 22,970	\$ 77,270
As at December 31, 2014	\$ 928,630	\$ 99,728	\$ 21,629	\$ 23,423	\$ 1,073,410

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

6. PROPERTY AND EQUIPMENT (cont'd...)

In the period ended June 30, 2014, the Company issued 107,143 shares valued at \$30,000 to a Director of the Company for assorted equipment and supplies and industry knowledge. The equipment and supplies have been ascribed a value of \$15,000. The balance has been expensed as share-based payments attributed to the expertise of the Director.

The Company has purchased a parcel of land in Maple Ridge, BC. The Company is in the process of designing and engineering a facility for construction on site which is compliant with Health Canada requirements under the MMPR program. The Company has incurred \$99,728 (June 30, 2014 - \$54,300) in design, engineering, and associated costs toward the construction of this facility which have been deferred and capitalized.

7. CONVERTIBLE DEBENTURE

During the period ended December 31, 2014, the Company entered into a convertible debenture agreement with a private investor and shareholder in the amount of \$350,000 (the "Debenture"). The Debenture is convertible into share of the Company at a price of \$0.80 per share at the option of the holder. The Debenture is subject to an interest rate of 20% per annum and matures on June 12, 2015. With consideration to the equity features of the Debenture, the effective interest rate is 22%.

Convertible Debenture

Balance, February 12, 2014 and June 30, 2014	\$	-
Gross proceeds on issuance of Debenture		350,000
Valuation of conversion feature		(1,514)
Transaction costs		(5,000)
Accretion of interest expense		4,834
		<hr/>
Balance, end of period	\$	348,320

8. MORTGAGE

During the period ended December 31, 2014, the Company executed a mortgage of \$590,000 to finance the acquisition of the Maple Ridge property ("Mortgage"). The interest rate on the loan is at 12.00% compounded and paid monthly, and not in advance, for a total interest payment of \$70,800. The mortgage term is open for one year, during which time it can be paid out or paid down without penalty. A fee for arranging financing in the amount of \$47,000 and other financing costs of \$1,600 were incurred against the Mortgage. With consideration to the financing costs, the Mortgage carries an effective interest rate of 22%. The Mortgage is secured by the property in Maple Ridge.

Mortgage

Balance, February 12, 2014 and June 30, 2014	\$	-
Gross proceeds on issuance of Mortgage		590,000
Transaction costs		(48,600)
Accretion of interest expense		2,832
		<hr/>
Balance, end of period	\$	544,232

9. SHARE CAPITAL

Authorized share capital

As at December 31, 2014, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

Issued share capital

During the six month period ended December 31, 2014, the Company:

- a) Executed a shares for debt settlement whereby the Company issued 50,000 common shares at a value of \$0.38 per share to settle accounts payable of \$19,000.
- b) Issued 150,000 common shares at a price of \$0.80 per share for gross proceeds of \$120,000 and incurred other share issue cost of \$6,232.

During the period from inception on February 12, 2014 to June 30, 2014, the Company:

- a) Issued 3,500,000 common shares at a price of \$0.005 per share for gross proceeds of \$17,500.
- b) Issued 2,889,988 common shares at a price of \$0.02 per share for gross proceeds of \$57,800. The shares were determined to have a fair value of \$0.28 per share; accordingly, the Company recognized the difference of \$751,397 as share-based payments expense.
- c) Issued 115,143 common shares at a price of \$0.28 per share for gross proceeds of \$32,240.
- d) Issued 107,143 shares valued at \$30,000 for the purchase of certain equipment and expertise (Note 6).
- e) Issued 1,257,632 common shares at a price of US\$0.38 per share for gross proceeds of \$518,139 (US\$477,900).

10. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer, Chief Financial Officer, Director of Facilities/Production and Directors of the Company. The remuneration of key management personnel in the six months ended December 31, 2014 included payment or accrual of management fees, consulting fees and salaries of \$89,147 to the Chief Executive Officer, \$48,489 to an Officer and Director and \$9,510 to the Chief Financial Officer.

Share-based payments expense recorded in the period ended June 30, 2014 of \$751,397 was recognized on the sale of 2,889,988 common shares to a company with a significant shareholding in the Company and a director in common.

In the period ended June 30, 2014, the Company issued 107,143 shares valued at \$30,000 to a Director of the Company's subsidiary for assorted equipment and industry knowledge. The equipment has been ascribed a value of \$15,000. The balance of the value of the shares has been expensed as share-based payments attributed to the expertise of the Director.

As at December 31, 2014, there was an amount of \$6,371 (June 30, 2014 - \$8,931) included in accounts payable and accrued liabilities due to two directors with respect to the above transactions and for expense reimbursements.

10. RELATED PARTY TRANSACTIONS (cont'd...)

Shareholder loan

In the period ended December 31, 2014, a significant shareholder provided an interest-free loan of \$58,000 to the Company. The loan has no specified terms of repayment.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the period ended December 31, 2014 consisted of the Company:

- a) Accruing deferred facility costs of \$15,713 through accounts payable and accrued liabilities.
- b) Accruing property and equipment additions of \$5,951 through accounts payable and accrued liabilities.

12. SEGMENT INFORMATION

The Company operates in one business segment which is the research and development of cannabinoid products in Canada.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

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

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

The carrying value of receivables, accounts payable and accrued liabilities, shareholder loan, convertible debenture and mortgage approximates fair value due to the short term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy.

Risk management

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

Credit risk

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

MEDIPIRE HOLDINGS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**Risk management (cont'd...)***Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company has a working capital deficit of \$931,316 as at December 31, 2014 and is actively seeking additional sources of funds. The Company's Mortgage, provided by a private lender, is secured by the Property. The Mortgage matures within one year and will require the Company to replace the instrument or finance the purchase with an equity offering. Subsequent to December 31, 2014, the Company received an additional \$60,000 toward the shareholder loan. Currently, the Company has inadequate funds to complete its intended objectives. Management intends on pursuing additional financing through additional debt and/or equity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

a) Interest rate risk

The Company has cash balances and no floating interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash denominated in United States dollars. Management believes the risk is not currently significant as cash balances in USD are minimal.

14. CAPITAL MANAGEMENT

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

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

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

15. COMMITMENT

During the period ended December 31, 2014, the Company entered into a construction contract with CF Projects Inc. for the construction of a complete site at the Company's Maple Ridge property including, but not limited to: site clearing; installation of onsite and offsite civil services; provision of fencing and security systems; construction of several buildings; coordinate all related consultants; and liaise with relevant government agencies to expedite the acquisition of required permits.

MEDIPURE HOLDINGS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

DECEMBER 31, 2014

15. COMMITMENT (cont'd...)

Payment shall be the actual cost of the work incurred and does not include applicable taxes, with a 5% fee on the actual cost to the construction manager. Payment for costs shall be made by the Company as it becomes due, at an interest rate on late payments of: (a) 2% per annum above the prime rate for the first 60 days; and (b) 4% per annum above the prime rate after the first 60 days.

16. SUBSEQUENT EVENT

Subsequent to the period ended December 31, 2014, the Company issued 176,249 common shares for \$0.80 per common share for subscriptions received in advance of \$140,999.

Item 13. Date and Certificate

Dated: May 5, 2015

This offering memorandum does not contain a misrepresentation.

"Boris Weiss"

Boris Weiss
President, Chief Executive Officer and Director

"Samantha Shorter"

Samantha Shorter
Chief Financial Officer