

OFFERING MEMORANDUM

Date: June 27, 2016

THIS OFFERING MEMORANDUM CONSTITUTES A PRIVATE OFFERING OF SECURITIES ONLY IN THE PROVINCES OR TERRITORIES OF CANADA. NO SECURITIES REGULATORY AUTHORITY OR REGULATOR HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8 - RISK FACTORS.

The Issuer:	Somalife Ventures (VCC) Inc. (the "Issuer" or "Corporation")
Head Office Address	#1 - 1385 Stevens Road, West Kelowna, BC V1Z 2S9
Telephone Number	1-877-256-7662
E-mail Address	info@somalife.com
Telefax Number	250-762-6665
Currently listed or quoted	No. These securities do not trade on any exchange or market.
Reporting Issuer	No.
SEDAR Filer	No, except to the extent such filings are required by private entities

The Offering:

Securities Offered	<u>Offering:</u> Class "B" Voting Common Shares without nominal or par value ("Class "B" Shares").
Price per Security	\$0.50 per Share for up to 4,000,000 Class "B" Shares sold and thereafter \$1.00 per Class "B" Share for the balance of Class "B" Shares sold to an aggregate maximum of \$5,000,000
Minimum/Maximum Offering	There is no minimum offering. You may be the only purchaser. Maximum offering is \$5,000,000.

Funds available under the Offering may not be sufficient to accomplish our proposed objectives.

Min. Subscription Amount	The minimum subscription amount an investor must invest is \$10,000.
Eligibility	See Item 5.2 - Subscription Qualification for specific provincial eligibility requirements
Payment Terms	By certified cheque, money order or bank draft payable to " Pushor Mitchell LLP In Trust " of 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3, with a Subscription Agreement, Risk Acknowledgement Form(s) and, if applicable, eligible investor forms.
Proposed Closing Dates	July 31, 2016 and/or such other dates as may be determined by the directors of the Issuer (each being a "Closing Date").
Income Tax Consequences	There are important tax consequences to these securities. (See Item 6 - Income Tax Consequences).
Selling Agent	The Issuer reserves the right, as allowed by applicable securities legislation, to compensate Finders, who assist with introducing investors to the Offering. If Finders are engaged, they will be paid commissions of up to 10% of the gross proceeds realized on the Class "B" Shares sold through such Finders (See Item 7 - Compensation Paid to Sellers and Finders). As of the date hereof, the Issuer has entered into an Agency Agreement with Robson Capital Partners Corp. ("Robson") whereby Robson has been appointed as the Issuer's exclusive lead agent for the offering.
Resale Restrictions	Except for residents of Manitoba, New Brunswick and the Yukon Territory, you will be restricted from selling your securities for an indefinite period. (See Item 10).
Purchaser's Rights	You have two (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 - Purchaser's Rights).

THIS OFFERING IS SUBJECT TO A MAXIMUM SUBSCRIPTION LEVEL OF 7,000,000 SHARES TOTALING MAXIMUM SUBSCRIPTION PROCEEDS OF UP TO \$5,000,000. ALL PROCEEDS FROM SUBSCRIPTIONS WILL BE AVAILABLE TO THE ISSUER UPON THE CLOSING THEREOF AND WILL NOT BE REFUNDED TO THE PURCHASER UNLESS THE PURCHASER HAS CANCELLED THEIR SUBSCRIPTION IN ACCORDANCE WITH THE TWO DAY CANCELLATION RIGHT (SEE ITEM 11.1).

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING MEMORANDUM AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. THIS OFFERING MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF THE PERSONS INTERESTED IN THE PROPOSED OFFERING AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

THIS DOCUMENT IS NOT TO BE PHOTOCOPIED OR REPRODUCED IN ANY MANNER OR FORWARDED TO ANY OTHER PERSON.

THE OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM SUCH OFFER OR SOLICITATION MAY NOT BE LAWFULLY MADE. THIS OFFER IS MADE ONLY TO THE PERSONS TO WHOM THIS OFFERING MEMORANDUM HAS BEEN DELIVERED AND BY THEIR ACCEPTANCE HEREOF, PROSPECTIVE SUBSCRIBERS AGREE THAT THEY WILL NOT TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE THIS OFFERING MEMORANDUM OR ANY INFORMATION CONTAINED HEREIN AND ANY DUPLICATION OF THIS OFFERING MEMORANDUM IS STRICTLY PROHIBITED. THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING TO ANY RESIDENT OF THE UNITED STATES OF AMERICA OR ANY TERRITORY OR POSSESSION THEREOF OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF THE ISSUER TO SUCH RESIDENT.

Subscriptions for the Class “B” Shares will be received subject to rejection or allotment in whole or in part, at the Issuer’s sole discretion, and the Issuer reserves the right to close the Subscription books without notice. The Issuer may keep open the Offering herein made until the dates when Subscriptions have been received and accepted by the Issuer for the Maximum Offering or such other dates as determined by the Issuer in its sole discretion (the “Closing Dates”). On the Closing Dates, the Issuer may close Subscriptions and apply the funds from the Subscriptions in accordance with the Use of Available Funds section of this Offering Memorandum (See “ITEM 1 – USE OF AVAILABLE FUNDS”).

Subscription proceeds shall be forwarded to the Issuer, at the address indicated under “Payment Terms”, to be held in trust until the Closing Dates. Confirmation of the acceptance of a Subscription will be forwarded to the Subscriber promptly after its acceptance.

EQUITY CAPITAL PROGRAM SUMMARY

The Equity Capital Program is the operating name for the programs operating under the SBVC Act (as defined below). This program is open to small businesses operating in British Columbia in sectors which result in export enhancement or otherwise diversify the economy of British Columbia and provides such businesses with the opportunity to register as Eligible Business Corporations (“EBCs”). It also encourages early stage or “seed” equity capital investment in such EBCs through companies that are registered as Venture Capital Corporations’ (“VCCs”). VCCs obtain cash equity by way of private placement financings, such as the current Offering and then use those funds to invest in eligible small businesses that meet the similar eligibility criteria applicable to EBCs. In turn, the Equity Capital Program allows registered VCCs to apply for a tax credit entitling each of its resident British Columbia investors to a tax credit equal to 30% of the amount received by the VCC from those investors in a particular tax year (the “Tax Credit”).

The Issuer was registered as a VCC on June 3, 2016 for the main purpose of investing in Somalife Consulting Ltd. (“Somalife”), an eligible small business that was registered as an EBC on January 8, 2016. As a VCC, the Issuer is required to meet the following criteria: it may only carry on the activity of making eligible investments in small businesses as permitted by the SBVC Act and providing business and managerial expertise to such

small businesses in which it has made or proposes to make an eligible investment; and it must maintain at least \$50,000 in equity capital by the end of its first year after registration as a VCC and thereafter.

On June 3, 2016 upon its registration as a VCC, the Issuer received its approval to raise up to \$5,000,000 of equity capital which is eligible for the Tax Credit. As noted, the Tax Credit may only be applied for in respect of resident British Columbia investors and may be reduced or eliminated if the Province of British Columbia's budget for its Equity Capital Program is reduced or used up prior to the Issuer filing the required share purchase reports. The Issuer is required under the SBVC Act to invest a minimum of 80% of the equity capital it raises in one or more eligible small businesses for a total of not less than five years, failing which it may be required to repay some or all of the tax credits issued in respect of such equity capital to the Province of British Columbia. See Item 6 - "Income Tax Consequences and RRSP Eligibility".

Provincial Government Disclaimers:

In registering the Issuer under the SBVC Act, the Province of British Columbia makes no representations with respect to any tax considerations discussed in this document other than with respect to those dealing with the British Columbia tax credit available in respect of the purchase of the Class "B" Shares.

The Province of British Columbia in no way guarantees the value of any shares issued by a VCC registered under the SBVC Act nor does it in any way express an opinion as to the financial condition of the issuing company, or the merits of the Issuer's investments in eligible small businesses.

The review of this Offering Memorandum by the Investment Capital Branch staff was limited specifically to the requirements of the SBVC Act only and any other matters that concern investors should be reviewed with their own personal professional advisors.

FORWARD LOOKING STATEMENTS

This Offering Memorandum contains certain statements or disclosure that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Issuer anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, **potential, enable, plan, continue, contemplate** or the negative equivalent of those words or other comparable terminology, and by discussions of strategies that involve risks and uncertainties. Forward-looking information presented in such statements or disclosures may, among other things, relate to: the nature of the Issuer's operations; sources of revenue; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Issuer to raise capital; the Issuer's business outlook; plans and objectives for future operations; forecast business results; and anticipated financial performance, and many relate any of the foregoing items in respect of Somalife.

The risks and uncertainties of the Issuer's business and that of Somalife, including those discussed under ITEM 8 – RISK FACTORS, could cause the Issuer's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, forward-looking statements are based on assumptions about future events, which may or may not prove to be accurate. In light of these risks, uncertainties and assumptions, you should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in the Offering Memorandum may not occur.

The Issuer cannot assure prospective investors that its future results, levels of activity and achievements, or those of Somalife, will occur as the Issuer expects, and neither the Issuer nor any other person assume responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Issuer assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Issuer including information obtained by the Issuer from Somalife, from third party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Offering Memorandum in connection with the statements or disclosure containing the forward-looking information. We caution you that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include but are not limited to:

- no significant adverse changes in economic conditions in the North American markets for Somalife's products;
- a stable competitive or regulatory environment in the North American markets in which the Issuer and Somalife operate;
- no significant adverse changes relating to the manufacturing of Somalife's products, including but not limited to manufacturing costs;
- no significant adverse challenges to the proprietary rights associated with Somalife's products;
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Offering Memorandum is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Issuer and/or Somalife to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Issuer including information obtained by the Issuer from Somalife, from third party industry analysts and other third party sources. Actual results or outcomes may differ materially from those expressed by such statements or disclosures. While we do not know what impact any of those differences may have, the Issuer's and/or Somalife's business, results or operations, financial condition and its credit stability may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- manufacturing risks, including production delays, lack of availability of materials, escalation of production and labour costs and quality control;
- delays resulting from regulatory or industry reviews or approvals;
- the risks associated with general economic conditions including, but not limited to, general economic conditions affecting the Issuer, Somalife, Somalife's licensors, licensees, manufacturers and distributors, and the consumers of Somalife's products;
- the risks of competitive products entering the market and the risks that Somalife's innovative products will not be adopted or accepted in the market at the rate and to the extent planned;
- the risks that Somalife's marketing efforts and the development of the channels of distribution for its products will be delayed or insufficient;
- the risks associated with unanticipated products liability, intellectual property or other commercial litigation;

- the risks associated with the Issuer's and/or Somalife's financing efforts, including that the Issuer and/or Somalife will not be able to arrange sufficient, cost-effective financing to finance their respective activities, fund capital expenditures and meet their other financial obligations;
- the Issuer and/or Somalife may be adversely affected by changes in income tax laws and other laws, governmental policies or regulations;
- the risk that the Class "B" Shares cease to be a "qualified investment" for an RRSP or RRIF for any reason or that Somalife ceases to qualify as an eligible small business under the SBVC Act; and
- legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters.

Investors are cautioned that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of the Issuer and/or Somalife to differ materially from those contemplated (whether expressly or by implication) in the statements or disclosure containing forward-looking information are disclosed under ITEM 8: RISK FACTORS.

The Issuer is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, prospective investors should not place undue reliance on forward looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

DEFINITIONS

“BC Tax Act” means the *Income Tax Act* (British Columbia), as amended.

“Class “A” Shares” means Class “A” Voting Common Shares, without nominal or par value in the capital of the Issuer;

“Class “B” Shares” means Class “B” Voting Common Shares, without nominal or par value in the capital of the Issuer;

“Exempt Market Dealer” means a person who is registered in the category of “Exempt Market Dealer” under NI 31-103;

“Finders” means any person, including an employee, consultant, or Exempt Market Dealer of the Issuer who finds an investor for the Offering;

“Intellectual Property” means, whether owned or licensed, all patents and any other patents and patent applications, trade secrets, inventions, discoveries and technical information including but not limited to information embodied in drawings, designs, mask works, mask work applications, copyrights, copyright applications, trademarks and trademark applications, material specifications, processing instructions, formulas, equipment specifications, product specifications, data, electronic files, research notebooks, invention disclosures, research and development reports, design, specifications and documentation, and component and material specifications and sources of supply of the Somalife Products and other proprietary information, data, and knowledge, which is related to the Somalife Products and the like related thereto, and all amendments, modifications, and improvements to any of the foregoing, which is related to the Somalife Products;

“License Agreements” means the license agreements entered into between Somalife and various related or other parties governing the Intellectual Property comprising the business of Somalife, as more particularly described in Item 2.6 – Material Contracts;

“NI 31-103” means National Instrument 31-103 “Registration Requirements, Exemptions and Ongoing Registrant Obligations” promulgated by the Canadian Securities Administrators;

“NI 45-102” means National Instrument 45-102 “Resale of Securities” promulgated by the Canadian Securities Administrators;

“NI 45-106” means National Instrument 45-106 “Prospectus Exemptions” promulgated by the Canadian Securities Administrators;

“SBVC Act” means the *Small Business Venture Capital Act* (British Columbia);

“SBVC Regulations” means the regulations to the SBVC Act;

“Somalife” means Somalife Consulting Ltd.;

“Somalife Products” means health supplements and other health and wellness products (including, without limitation, products intended for consumption by humans and/or other life forms) and manufactured by or for Somalife or under license from Somalife;

“Somalife Shares” means the Series 1 Class “B” Non-Voting Preferred Shares in the capital of Somalife;

“Subscriber” means any investor who executes a Subscription Agreement for the purchase of Class “B” Shares;

“Subscription” means an offer to purchase Class “B” Shares pursuant to this Offering Memorandum;

“Subscription Agreement” means the agreement between the Subscriber and the Issuer for the Class “B” Shares;

“Supply Agreements” means the supply agreements between Somalife and various related parties governing the distribution of the Somalife Products, as more particularly described in Item 2.6 – Material Contracts;

“Tax Act” means the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.);

“**Technology License Agreement**” means the Technology License Agreement entered into between Somalife and Aionix Holdings Ltd., as more particularly described in Item 2.6 - Material Contracts;

“***Territory***” means the Territory defined in the License Agreements, namely Canada and the United States of America (including its territories);

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SCHEDULE “A” – SUBSCRIPTION AGREEMENT

1. USE OF NET PROCEEDS

1.1 Net Proceeds

The net proceeds of the Offering and the funds that will be available to the Issuer after the Offering will be as follows:

		Assuming Minimum Offering	Assuming Maximum Offering
A.	Amount to be raised by this Offering	\$0	\$5,000,000
B.	Selling commission and fees	\$0	\$500,000
C.	Estimated Offering costs (e.g., legal, accounting, audit)	\$25,000	\$50,000
D.	Available funds: $D = A - (B + C)$	(\$25,000)	\$4,450,000
E.	Additional sources of funding required	\$0	\$550,000 ¹
F.	Working capital deficiency	Nil	Nil
G.	Total: $G = (D+E) - F$	(\$25,000)	\$5,000,000

¹ The Issuer anticipates that it will obtain additional bridge financing and/or receive expense reimbursements or other payments of fees and/or expenses from Somalife sufficient to enable it to ultimately invest up to 100% of the proceeds of the Offering into Somalife.

1.2 Use of Available Funds

Net proceeds of the Offering will be released to the Issuer on the Closing Dates. The Issuer plans to use the Available Funds to purchase securities in Somalife as follows:

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Purchase of up to 7,000,000 Series 1 Class “B” Non-Voting Preferred Shares of Somalife Consulting Ltd.	\$0	\$5,000,000

The Issuer anticipates that the funds invested in Somalife will be used as follows:

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Research to enhance existing brands	\$0	\$50,000
Research to develop Every Bite Counts - energy bars	\$0	\$50,000
Research to develop CleanNRG - nutritional drinks	\$0	\$50,000
Research to develop Just for Me - skin care	\$0	\$50,000
Soft Launches of new products	\$0	\$150,000
Marketing of current and newly developed products	\$0	\$400,000

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Inventory	\$0	\$2,500,000
Unallocated Working Capital	\$0	\$1,750,000
Total	\$0	\$5,000,000

If less than the Maximum Offering is raised and, consequently, less than \$5,000,000 is invested in Somalife, Somalife will likely spend less in some categories.

1.3 Overview of the Offering

The Offering consists of up to 7,000,000 Class “B” Shares offered at a price of \$0.50 per Class “B” Share for up to the first 4,000,000 Class “B” Shares and thereafter at a price of \$1.00 per Class “B” Share for the remaining Class “B” Shares to an aggregate maximum of \$5,000,000. See Item 5 – Securities Offered for additional terms of the Class “B” Shares. The Offering is intended to provide the Issuer with the necessary equity capital to invest in Somalife enabling Somalife to carry out its business strategy for the initial two (2) years of operations. Pursuant to the SBVC Act, the Issuer may not expend more than 20% of its issued capital for administrative expenses (including commissions, legal and accounting expenses); for the purpose of this calculation, monies expended by Somalife for administrative expenses on behalf of the Issuer are to be included. See Item 2.1 – Business Structure and Item 2.2 – The Issuer’s Business.

The Issuer will use the net proceeds of the Offering to invest in the Somalife Shares. The cost per Somalife Share shall be equal to, or less than, the most recent cost of a Class “B” Share. A maximum subscription would result in the purchase by the Issuer of approximately 7,000,000 Somalife Shares. Somalife is expected to use the net proceeds substantially for the purposes detailed above.

Until required for the Issuer’s purposes, the proceeds from this Offering will be invested only in securities of, or those guaranteed by, the Government of Canada or any Province of Canada, or in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies. Any interest accrued on subscription funds will be solely for the account of the Issuer.

1.4 Reallocation

The Issuer intends to spend the Available Funds as stated and will reallocate funds only for sound business reasons. The Issuer does not intend to reallocate funds for any purpose unrelated to advancement of its business strategy. The Issuer anticipates that Somalife will spend the funds invested by the Issuer as stated and will reallocate funds only for sound business reasons. The Issuer does not anticipate that Somalife will reallocate funds for any purpose unrelated to advancement of its business strategy.

2. THE BUSINESS OF SOMALIFE VENTURES (VCC) INC.

2.1 Business Structure

The Issuer was created by way of incorporation under the *Business Corporations Act* (British Columbia) (the “Act”). A Certificate of Incorporation bearing registration number BC1071360 was issued on April 11, 2016. On May 5, 2016, the Issuer filed a Notice of Alteration to reflect a redesignation of its Voting Common Shares as Class “A” Voting Common Shares, to create a new preferred class of shares designated as the Class “B” Voting Preferred Shares and to amend the Articles to reflect the special rights and restrictions attached to the share classes. On May 5, 2016, the Issuer filed a Notice of Alteration to reflect a redesignation of its Class “B” Voting Preferred Shares to Class “B” Voting Common Shares and to amend the Articles to reflect the alteration to the special rights and restrictions attached to that share class. On June 3, 2016, the Issuer was registered as a VCC, pursuant to the SBVC Act. The Issuer has a head office located #1 - 1385 Stevens Road, West Kelowna, BC V1Z 2S9 and has a registered office located at 301 - 1665 Ellis Street, Kelowna, BC V1Y 2B3.

The Issuer has not, to date, completed the raising of any equity capital under the Equity Capital Program. However, the Issuer has received irrevocable offers to subscribe for an aggregate of 533,780 Class “B” Shares at a price of \$0.50 per Class “B” Share in conjunction with becoming registered as a VCC under the Equity Capital Program. This Offering will represent the Issuer’s first equity capital raise under the Equity Capital Program.

The Issuer is not a reporting issuer within the meaning of the *Securities Act* (BC).

The shareholders, by way of resolutions in writing, have appointed BDO Canada LLP to act as the Issuer’s auditor for the ensuing year and have authorized the directors to set the remuneration of the auditor.

2.2 The Issuer’s Business

The Issuer is a private British Columbia company incorporated solely for the purpose of making equity investments in Somalife for the purposes of developing and producing the Somalife Products, as further described under “Item 2.3 - Somalife’s Business”. Information in the Offering Memorandum relating to Somalife was provided to the Issuer by Somalife, and the Issuer has relied upon the representations of Somalife regarding its business and affairs.

2.3 Somalife’s Business

Somalife was created by way of an amalgamation of Aionix Investments Ltd., Somalife Consulting Ltd. and Somalife Holdings Ltd. under the *Business Corporations Act* (British Columbia) (the “Act”). A Certificate of Amalgamation bearing registration number BC0896585 was issued on November 30, 2010. Somalife has a head office located #1 - 1385 Stevens Road, West Kelowna, BC V1Z 2S9 and has a registered office located at 410 - 1708 Dolphin Avenue, Kelowna, BC V1Y 9S4.

Aionix Investments Ltd. was a company incorporated under the Act and a Certificate of Incorporation was issued on November 23, 1998 bearing registration number BC0575376. Somalife Holdings Ltd. was a company incorporated under the Act and a Certificate of Incorporation was issued on March 22, 2006 bearing registration number BC0752454. Somalife Consulting Ltd. (pre-amalgamated) was a company incorporated under the Act and a Certificate of Incorporation was issued on November 23, 1998 bearing registration number BC0575394.

Somalife is in the business of developing, manufacturing and marketing its proprietary line of 100% natural organic dietary supplements that are sold through direct sales and via licensing agreements. Somalife was formed for the purpose of providing health and wellness to the public through its 100% natural organic dietary supplements, which today consists of six products as described briefly below:

<u>Product</u>	<u>Description</u>
Youth Formula	<i>Youth Formula is blend of eight amino acids designed to deliver optimal nutritional support to the body. It is an all-natural, organic, vegan whole food supplement.</i>
IQ 150	<i>IQ 150 is a blend of nine meticulously selected ingredients designed to offer optimal brain support as well as improved clarity. It is all-natural, vegan and completely organic.</i>
SomaVit	<i>The ultimate natural vitamin/mineral free ranging scavenger antioxidant system designed to seek and destroy free radicals throughout the body. It is all natural and completely organic.</i>
Super X	<i>An optimized combination of powerful plant based antioxidants specifically designed to scavenge for free radicals and protect inside the cell and support enhanced cellular energy. It is all natural and completely organic.</i>
Omega-3	<i>A premium omega 3 that has been shown to lower blood pressure and reduce the</i>

risk of heart attack or stroke. It has also been shown to improve mood and can also aid in arthritis, memory loss and dementia.

SomaPet

A proprietary combination of organic, free form crystalline amino acids that encourage production of additional healing, repair and growth factors that jumpstarts a pet's natural process of cell repair and rejuvenation.

Somalife's business model is unique in that it has created a successful, world-class, proprietary affiliate/referral program. The direct sales and affiliate marketing industry has traditionally utilized a compensation model that is reflected in paying their affiliates with significant percentages of the sales that are made on a one-time basis. Somalife has created a proprietary success system that is considered an elite model in the industry. The Somalife Platinum L.I.F.E (Layered Income For Everybody) Plan consists of a two-tier multiple layer, perpetual residual payment platform that generously compensates affiliates and member customers at various levels of commissions, fees and bonuses. From affiliate marketing and referrals, Somalife has apportioned 15% per level of a two tier program of the sales volume as compensation.

There are 4 specific levels for a member or affiliate marketer to become involved in the Platinum L.I.F.E program, as illustrated below.

Basic	Gold	Platinum	Platinum L.I.F.E.
Youth Formula IQ-150 Soma-Vit (MultiVitamin) Super X Super-3 SomaPet Free Membership Access Personal Coach Custom Diet Plan Elite Seating at Retreat 24/7 Health Hotline L.I.F.E. Plan	Youth Formula IQ-150 Soma-Vit (MultiVitamin) Super X Super-3 SomaPet Free Membership Access Personal Coach Custom Diet Plan Elite Seating at Retreat 24/7 Health Hotline L.I.F.E. Plan	Youth Formula IQ-150 Soma-Vit (MultiVitamin) Super X Super-3 SomaPet Free Membership Personal Coach Custom Diet Plan Elite Seating at Retreat 24/7 Health Hotline L.I.F.E. Plan	Youth Formula IQ-150 Soma-Vit (MultiVitamin) Super X Super-3 SomaPet Free Membership Personal Coach Custom Diet Plan Elite Seating at Retreat 24/7 Health Hotline L.I.F.E. Plan
\$49 <small>per month</small>	\$99 <small>per month</small>	\$149 <small>per month</small>	\$249 <small>per month</small>

Somalife has traditionally had a central focus on the health and wellness of its clients by providing world class supplements and vitamins. In the current market environment in the health and wellness business sector, there has become an increased need to compliment the nutraceutical product line with a comprehensive and in-depth educational membership model. This educational model will consist of both virtual and physical education and training components. Through a series of websites, social media, webinars, trainings, seminars, workshops and retreats, members will be able to experience multiple layers of specific and topics related health and wellness education, fitness and dietary information and life coaching.

Each particular membership level will also give direct access to the respective level into which the client and/or new member enrolls. For example Basic membership will allow access to the basic area of the website and will also let the member receive the Somalife Youth Formula on a monthly basis. The next level would be the Gold membership, which would allow the new member everything the Basic membership and the areas within that membership website and also one more Somalife product on a monthly basis with access to the Gold membership area in the membership website. This will continue for both the Platinum and Platinum L.I.F.E program respectfully. Each level will also retain the benefits of membership from the previous levels and also have extra benefits with each higher level. Each member regardless of which level they choose to participate in (Basic, Gold, Platinum, and Platinum L.I.F.E) will be able to participate directly in the Somalife Referral and Affiliate Program.

2.4 Development of Somalife's Business

Somalife, through its predecessors, began developing the Somalife Products in 1998 with a goal of providing optimal health, longevity, superior wellness and enhanced body performance and has built a foundation for success with an accomplished team of professionals, whose combined experience and expertise expand over 200 years in business, direct sales, body performance, nutritional supplements, and wellness combined with the most significant medical research and body science developed over the last century, which has been created, studied and explored by world renowned medical professionals.

Somalife currently holds an exclusive world-wide license, via a Technology License Agreement with Aionix Holdings Ltd., to the following patents for its Somalife Products and for the delivery system of the nutrients:

Patent Listing for Supplement for Restoring Growth Hormone		
Country of Registration	Patent Number	Date of Grant
United States	6,346,264	April 27, 2000
United Kingdom	1 176 880	April 27, 2000
Hong Kong	HK1044100	April 27, 2000

Somalife, via its Supply Agreements, has successfully developed its manufacturing and distribution of its private label supplements as follows:

<u>Company</u>	<u>Description</u>
gHP Sport	gHP Sport has the distinct honour of being the only product of its kind in the world to have both NSF Certified for Sport and Inform Sport Certifications that identify products that will be allowed in dugouts, locker rooms and fields for professional and Olympic athletes. gHP Sport has benefited from these certifications and has athletes in the NHL, CFL, NFL, PGA & Senior PGA, MLS, Boxers and Cross-fit to name a few. It is manufactured for Somalife and distributed under licensing and supply agreements.
Equinety	Equinety provides elite supplements primarily to the horse industry and has penetrated many horse disciplines throughout Canada, the US, UK, Europe and Australia. It is manufactured for Somalife and distributed under licensing and supply agreements.
Naturalife	Naturalife is a private label brand that is focused on the retail marketplace. Currently there is interest in the product line through Whole Foods and Loblaws/Shoppers Drugmart. It is manufactured for Somalife and distributed under licensing and supply

agreements.

Every Bite Counts/EBC Bars

Every Bite Counts is being developed as an all natural sustainable energy bar that retains all of its nutritional content. Fruit, Veggie and Coconut are the first three flavours being created and will have only the highest quality all natural ingredients. The sustainable energy bars will be gluten free, soy free, peanut free, have a low calorie count and no sugar added. The bars will be sold direct to consumer via Somalife's distribution network and through traditional retail channels.

The following table summarizes the sales of the Somalife Products in 2015 as at November 30, 2015 and 2016 as at May 31, 2016:

Brand	2015 Sales (\$)	2016 Sales (\$)
Youth Brand	\$615,531	\$278,069
gHP Sport	\$51,020	\$56,243
Equinety	\$25,276	\$58,943
Naturalife	NIL	NIL
Every Bite Counts/EBC Bars	NIL	NIL

See Item 2.8 – Material Contracts for additional discussion on the above-mentioned license and supply agreements.

2.5 The Issuer's Long Term Objectives

The Issuer's long term objective is to raise equity capital under the Equity Capital Program and to invest the maximum available net proceeds from such financings into Somalife to support its business objectives.

2.6 Somalife's Long Term Objectives

Somalife's long term objective is to introduce its products in the relevant markets within the Territory, initially within Canada and later expanding to the United States of America, and to steadily increase revenues from the sales of its products.

To achieve Somalife's long term objectives the following must occur:

Objective	Timeline	Somalife's Cost
1. Expand membership services via Somalife's website	Ongoing	\$150,000

2. Conduct research to create new products, namely energy bars & drinks and skin care	May 2017	\$150,000
3. Research test markets in North America	Ongoing	\$50,000
4. Conduct Soft Launches of new products in North America	Ongoing & May 2018	\$150,000
5. Full scale launch of products in North America	May 2018	\$125,000
6. Commence distribution of products outside of North America	May 2018	\$125,000
7. Increase inventory	Ongoing	\$500,000
Total		\$1,250,000

2.7 The Issuer's Short Term Objectives and How the Issuer Intends to Achieve Them

The following are the Issuer's short term objectives that Somalife plans to achieve over the next twelve (12) months:

	What the Issuer must do and how it will do it	Target completion date or, if not known number of months to complete	Cost to complete⁽¹⁾
a.	Commence the Offering	June 30, 2016	\$15,000
b.	Begin investments into Somalife	July 31, 2016	\$10,000
c.	Complete the Offering	December 1, 2016	\$550,000

d.	Complete the investments into Somalife	January 30, 2017	\$25,000
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(1) The Issuer anticipates that an aggregate amount equal to approximately 100% of these costs will be borne by or recovered from Somalife through a combination of work fees, expense reimbursements and other payments from Somalife.

2.8 Somalife's Short Term Objectives and How the Issuer Anticipates Somalife Will Achieve Them

The following are Somalife's short term objectives that Somalife plans to achieve over the next twelve (12) months:

	What Somalife must do and how it will do it	Target completion date or, if not known number of months to complete	Cost to complete ⁽¹⁾
a.	Increase Inventory	6 months	\$500,000
b.	Membership Website Online	August 2016	\$50,000
c.	Expand Affiliate Referral Network	August 2016	\$25,000
d.	Implement Infusion Soft CRM Software	August 2016	\$25,000
e.	Develop Mobile App for Membership Program	December 2016	\$50,000
f.	gHP Sport expand to full product line	6 months	\$50,000
g.	Equinety Product Expansion Anti Oxidant & Electrolyte	6 months	\$50,000
h.	Nutritional Energy Bar Product Development	6 months	\$50,000
i.	Nutritional Hydration/Energy Drink Development	6 months	\$50,000
j.	Skin Care Products Development	12 months	\$50,000

	Total		\$900,000.00
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2.9 Insufficient Funds

The net proceeds received from the Offering may not be sufficient to accomplish all of Somalife's proposed objectives and there is no assurance that alternative financing will be available.

2.10 Material Agreements

a) *Material Agreements to which the Issuer is currently a party*

The Issuer has entered into the following material agreements.

Investment Agreement

The Issuer has entered into an investment agreement dated June 24, 2016 with Somalife for the purchase of up to an aggregate of 7,000,000 Somalife Shares for an aggregate cost of up to \$5,000,000 (the "Investment Agreement"). The purchase price of each Somalife Share purchased by the Issuer will be equal to or less than the most recent issue price of the Class "B" Shares, with a maximum of 4,000,000 Somalife Shares at a price not greater than \$0.50 per Somalife Share and additional shares to an aggregate maximum of 7,000,000 shares at a price of not greater than \$1.00 per Somalife Share, for an aggregate purchase price of up to \$5,000,000.

Pursuant to the Investment Agreement, Somalife is obligated to reimburse the Issuer for certain legal expenses and costs incurred by the Issuer in connection with the investments under Investment Agreement, costs associated with providing information concerning Somalife in this Offering Memorandum, and other costs and expenses as the parties may agree from time to time. The Investment Agreement requires the parties to use their commercially reasonable efforts to minimize the net unrecoverable expenses of the Issuer in order to enable the Issuer to acquire, to the greatest extent possible, that number of Somalife Shares that is equal to the number of Class "B" Shares issued by the Issuer.

Somalife is authorized to issue an unlimited number of Class "A" Voting Common Shares without nominal or par value (the "Common Shares") and an unlimited number of Class "B" Non-Voting Preferred Shares without nominal or par value (the "Preferred Shares"), such Preferred Shares being issuable in a series at the discretion of the Somalife board of directors. The Somalife board of directors may also determine the special rights and restrictions associated with each series of the Preferred Shares designated by the board. The holders of the Preferred Shares are entitled to receive dividends if, as and when declared by the directors of Somalife and the holders of the Common Shares are not entitled to receive dividends until such time as Somalife has paid all dividends issued to holders of the Preferred Shares. Holders of the Common Shares are entitled to one (1) vote per share held at any meeting of shareholders of Somalife, except meetings at which only holders of a specific class of shares are entitled to vote and the holder does not hold such specific class of shares. Holders of the Preferred Shares are not be entitled to vote at any meeting of shareholders of Somalife, other than a meeting of the holders of Preferred Shares. The holders of the Preferred Shares are entitled, upon liquidation or winding-up of Somalife, to be paid in respect of each Preferred Share held by them, and in preference to and priority over any distribution or payment on any Common Share, the amount that would have been the redemption price for such Preferred Share if the date of payment had been the date for redemption, and after such payment each such holder of Preferred Shares will not as such be entitled to participate in any further distribution of property or assets of Somalife. The redemption price for a given Preferred Share

shall be (i) as defined in the special rights and restrictions attached to the relevant series of Preferred Shares or (ii) if no such redemption price has been defined in such rights and restrictions, then the amount paid up thereon plus any unpaid cumulative dividends, together with, in either case, any other dividends declared thereon but not paid. With respect to the Somalife Shares, the redemption price is the amount paid up thereon plus unpaid cumulative dividends. Upon completion of payment of the amounts owed to the holders of the Preferred Shares upon liquidation or winding-up of Somalife, the holders of the Common Shares shall be the only holders entitled to share, on a pro rata basis, in distributions of the remaining assets of the Somalife.

The Somalife Shares are the Series 1 Class “B” Non-Voting Preferred Shares designated by the Somalife board of directors. In addition to foregoing summary of the provisions of the Common Shares and the Preferred Shares, the material terms of the Somalife Shares are as follows.

Voting Rights of the Somalife Shares

During the period commencing from the date of issue of the Somalife Shares and ending on the 5th anniversary of such issuance (the “Five Year Period”), the holders of Somalife Shares are not entitled to receive notice of or to attend or to vote at any meeting of shareholders of Somalife. After the Five Year Period, subject to the Somalife articles, the holder of Somalife Shares shall be entitled to receive notice of and to attend at and to vote in person or by proxy at any general meetings of the shareholders of Somalife and shall be entitled to one vote for each Somalife Share held. The Somalife articles do not currently allow for voting by the holders of the Preferred Shares, however, the Issuer may elect to convert its Preferred Shares to Common Shares immediately after the expiry of the Five Year Period, with such Common Share being entitled to one (1) vote.

Redemption of Somalife Shares

The redemption price of each Somalife Share shall be the amount paid up thereon plus any unpaid cumulative dividends.

After the Five Year Period, Somalife may at any time redeem all outstanding Somalife Shares, or a pro rata amount from each holder of Somalife Shares, by paying to the holder thereof the redemption price for such Somalife Shares.

Conversion Rights of Somalife Shares

After the Five Year Period, the holders of Somalife Shares shall have the right (the “Conversion Right”) to convert all but not less than all the Somalife Shares held by the holder into an equal amount of fully paid Common Shares and Somalife shall cancel the share certificate representing the Somalife Shares, issue a new share certificate representing the Common Shares and shall pay to the holder of the Somalife Shares an amount equal to the unpaid cumulative dividends payable on the Somalife Shares prior to such conversion (the “Accrued Preferred Dividend Amount”), which shall be payable in cash, Common Shares, promissory note or any combination thereof in the sole discretion of the Somalife board of directors. If the Accrued Preferred Dividend Amount is payable in whole or in part by Common Shares, the amount to be converted into such Common Shares shall be determined by dividing such amount by the original issue price of the corresponding Class “B” Share. If the Accrued Preferred Dividend Amount is payable in whole or in part by a promissory note, the promissory note will have a maturity date of two (2) years from the date of the corresponding conversion notice and will bear interest at the Bank of Montreal’s Prime Rate (as at the date of issuance of the promissory note) plus one (1) percent per annum.

Discretionary Dividends of Somalife Shares

Subject to the Act, and solely during the Five Year Period, the holders of the Somalife Shares shall in each year be entitled to receive and Somalife shall pay thereon as and when declared by the directors of Somalife out of the monies of Somalife properly applicable to the payment of dividends, fixed cumulative dividends at a rate of seven percent (7%) per annum payable annually on the redemption price of the Somalife Shares held by such holders. For greater certainty, no dividends shall accrue with respect to the Somalife Shares after the Five Year Period. Subject to the Act, Somalife shall not declare or pay any dividends on the Common Shares or other series of Preferred Shares unless Somalife has paid all cumulative dividends on the Somalife Shares.

Agency Agreement

The Issuer has entered into an Agency Agreement dated June 17, 2016 with Robson Capital Partners Corp. ("Robson") for a one year term (automatically renewable for an additional one year term) whereby Robson has been engaged by the Issuer as exclusive lead agent to assist with finding qualified investors to the Offering and as consideration for such services, the Issuer shall pay Robson 10% of the gross proceeds received from acceptable investors found by Robson.

b) Material Agreements of Somalife

The following summarizes the material agreements to which Somalife is currently a party. Somalife is related to Aionix Holdings Ltd., Equinety Holdings Inc., Every Bite Counts Inc., gHPSport Holdings Inc. and Naturalife Products LLC by way of each entity being controlled by Vericore Ventures Inc. and/or having common shareholders with Vericore Ventures Inc. and/or having common officers and directors.

Technology License Agreement

Somalife has entered into a Technology License Agreement dated May 5, 2016 with Aionix Holdings Ltd. ("Aionix") whereby Somalife has the exclusive right to the use of the Intellectual Property owned or controlled by Aionix for the development of the Somalife Products until May 5, 2019. The license shall be automatically renewed for a further three year term upon its expiry unless written notice is provided by Somalife to Aionix within ninety (90) days of the expiry date that it does not wish to renew the license. Either party may terminate the license for cause after sixty (60) days of providing written notice of the breach to the other party should such breach fail to be rectified or if one party becomes bankrupt or insolvent. As consideration for the license, Somalife is required to pay a license fee of \$1.00 and to compensate Aionix for any costs reasonably incurred for the benefit of Somalife. In addition, Somalife has:

1. a right of first refusal over any sale or license grant involving any of the Intellectual Property owned or controlled by Aionix; and
2. an option to purchase the Intellectual Property owned or controlled by Aionix by paying \$10.00, the balance of the license fee and satisfying Aionix that it has either:
 - (a) raised a minimum of \$250,000 of working capital to fund the commencement of Commercial Manufacturing of Somalife Products;
 - (b) generated, by itself or through one or more sublicensees, a minimum of \$250,000 in gross sales revenue from the sale of Somalife Products;
 - (c) completed a transaction whereby there is (i) an assignment of the technology license agreement in connection with the disposition of substantially all of the assets of Somalife for aggregate

proceeds of not less than \$2,000,000, (ii) the acquisition by a third party of more than fifty percent (50%) of the issued and outstanding securities of Somalife in a purchase and sale transaction in which all of the holders of such securities are entitled to participate on a pro rata basis and (iii) a going public transaction (an “Exit Transaction”); or

- (d) entered into a binding definitive agreement in respect of an Exit Transaction; provided that any exercise of the option shall be of no force or effect if such Exit Transaction is terminated prior to completion;

provided, however, that if Aionix has failed to maintain and prosecute the patents which are the subject of the license, Somalife may exercise its option to purchase the Intellectual Property without satisfying Aionix that it has met any of the criteria in (a) to (d).

Supply Agreements

Equinety

Somalife has entered into a Supply Agreement dated May 16, 2016 with Equinety Holdings Inc. (“Equinety”) whereby Equinety has agreed to purchase 100% of the Equinety branded Somalife Products from Somalife and Somalife has agreed to supply Equinety branded Somalife Products to Equinety. The agreement provides that Equinety shall purchase the Equinety branded Somalife Products pursuant to the following pricing terms:

1. where the products have been manufactured under a contract manufacturing arrangement between Somalife and a third party manufacturer, Equinety’s price shall be based upon Somalife’s actual invoiced cost (before taxes) plus thirty percent (30%), plus all applicable taxes.
2. where the products have been manufactured by Somalife, Equinety’s price shall be based upon Somalife’s cost of goods sold plus thirty percent (30%), plus applicable taxes.
3. where products have been shipped to Equinety and Somalife has incurred shipping and handling charges in connection with such shipment, Somalife shall include such shipping and handling charges in the corresponding product invoice or a separate invoice billed to the same party named in the corresponding product invoice.
4. where the products have been shipped to a mutually agreed third party fulfillment provider, Somalife shall invoice Equinety or the relevant subsidiary or affiliate of Equinety separately on a periodic basis at cost for the charges incurred by Somalife for the services of the third party fulfillment provider and on a proportionate basis for all corresponding shipping and handling charges relating to the products.

The agreement is for a period of one year and shall be automatically renewed for additional one year periods unless written notice of non-renewal is provided by either party to the other at least 90 days prior to the end of the then current term.

Vericore

Somalife has entered into a Supply Agreement dated May 16, 2016 with Vericore Ventures Inc. (“Vericore”) whereby Vericore has agreed to purchase 100% of the Naturalife branded Somalife Products from Somalife and Somalife has agreed to supply Naturalife branded Somalife Products to Vericore.

The agreement provides that Vericore shall purchase the Vericore branded Somalife Products pursuant to the following pricing terms:

1. where the products have been manufactured under a contract manufacturing arrangement between Somalife and a third party manufacturer, Vericore's price shall be based upon Somalife's actual invoiced cost (before taxes) plus thirty percent (30%), plus all applicable taxes.
2. where the products have been manufactured by Somalife, Vericore's price shall be based upon Somalife's cost of goods sold plus thirty percent (30%), plus applicable taxes.
3. where products have been shipped to Vericore and Somalife has incurred shipping and handling charges in connection with such shipment, Somalife shall include such shipping and handling charges in the corresponding product invoice or a separate invoice billed to the same party named in the corresponding product invoice.
4. where the products have been shipped to a mutually agreed third party fulfillment provider, Somalife shall invoice Vericore or the relevant subsidiary or affiliate of Vericore separately on a periodic basis at cost for the charges incurred by Somalife for the services of the third party fulfillment provider and on a proportionate basis for all corresponding shipping and handling charges relating to the products.

The agreement is for a period of one year and shall be automatically renewed for additional one year periods unless written notice of non-renewal is provided by either party to the other at least 90 days prior to the end of the then current term.

gHPSport

Somalife has entered into a Supply Agreement dated May 16, 2016 with gHPSport Holdings Inc. ("gHPSport") whereby gHPSport has agreed to purchase 100% of the gHP branded Somalife Products from Somalife and Somalife has agreed to supply gHP branded Somalife Products to gHPSport.

The agreement provides that gHPSport shall purchase the gHPSport branded Somalife Products pursuant to the following pricing terms:

1. where the products have been manufactured under a contract manufacturing arrangement between Somalife and a third party manufacturer, gHPSport's price shall be based upon Somalife's actual invoiced cost (before taxes) plus thirty percent (30%), plus all applicable taxes.
2. where the products have been manufactured by Somalife, gHPSport's price shall be based upon Somalife's cost of goods sold plus thirty percent (30%), plus applicable taxes.
3. where products have been shipped to gHPSport and Somalife has incurred shipping and handling charges in connection with such shipment, Somalife shall include such shipping and handling charges in the corresponding product invoice or a separate invoice billed to the same party named in the corresponding product invoice.
4. where the products have been shipped to a mutually agreed third party fulfillment provider, Somalife shall invoice gHPSport or the relevant subsidiary or affiliate of gHPSport separately on a periodic basis at cost for the charges incurred by Somalife for the services of the third party fulfillment provider and on a proportionate basis for all corresponding shipping and handling charges relating to the products.

The agreement is for a period of one year and shall be automatically renewed for additional one year periods unless written notice of non-renewal is provided by either party to the other at least 90 days prior to the end of the then current term.

Every Bite Counts Inc.

Somalife has entered into a Supply Agreement dated May 16, 2016 with Every Bite Counts Inc. (“EBCI”) whereby EBCI has agreed to purchase 100% of the EBCI and Every Bite Counts branded Somalife Products from Somalife and Somalife has agreed to supply EBCI and Every Bite Counts branded Somalife Products to EBCI.

The agreement provides that EBCI shall purchase the EBCI branded Somalife Products pursuant to the following pricing terms:

1. where the products have been manufactured under a contract manufacturing arrangement between Somalife and a third party manufacturer, EBCI’s price shall be based upon Somalife’s actual invoiced cost (before taxes) plus thirty percent (30%), plus all applicable taxes.
2. where the products have been manufactured by Somalife, EBCI’s price shall be based upon Somalife’s cost of goods sold plus thirty percent (30%), plus applicable taxes.
3. where products have been shipped to EBCI and Somalife has incurred shipping and handling charges in connection with such shipment, Somalife shall include such shipping and handling charges in the corresponding product invoice or a separate invoice billed to the same party named in the corresponding product invoice.
4. where the products have been shipped to a mutually agreed third party fulfillment provider, Somalife shall invoice EBCI or the relevant subsidiary or affiliate of EBCI separately on a periodic basis at cost for the charges incurred by Somalife for the services of the third party fulfillment provider and on a proportionate basis for all corresponding shipping and handling charges relating to the products.

The agreement is for a period of one year and shall be automatically renewed for additional one year periods unless written notice of non-renewal is provided by either party to the other at least 90 days prior to the end of the then current term.

Intellectual Property License AgreementsEquinety

Somalife has entered into an Intellectual Property Agreement dated May 16, 2016 with Equinety whereby Somalife has granted Equinety an exclusive right to use the Intellectual Property associated with the Equinety brand in connection with dietary and nutritional supplements for horses, the provision of information in the field of equine health and wellness and retail, wholesale and distribution services in relation to dietary and nutritional supplements for horses. As consideration for the license, Equinety has agreed to issue Somalife an option to purchase up to 10,000,000 shares in its authorized share capital at a price of USD\$0.01 per share, with such option being effected by way of a grant to purchase up to 10,000,000 shares of the same class of voting shares as initially issued to Vericore at an exercise price of USD\$0.01 per share, exercisable until 90 days after the termination of the license and an annual license royalty of \$1.00. The term of the license is one year which shall be automatically renewed for further one year periods unless terminated by either party by giving at least 90 days’ notice to the other party. In addition, Somalife may terminate the license without notice if, after sixty (60) days of providing written notice of the breach to the other party, such breach fails to be rectified or if Equinety becomes bankrupt or insolvent.

Vericore

Somalife has entered into an Intellectual Property Agreement dated May 16, 2016 with Vericore whereby Somalife has granted Vericore an exclusive right to use the Intellectual Property associated with the Naturalife brand in connection with dietary, food and nutritional supplements, the provision of

information in the field of health and wellness and retail, wholesale and distribution services in relation to dietary and nutritional supplements. As consideration for the license, Vericore has agreed to pay a one time license fee of \$1.00 and an annual license royalty of \$1.00. In addition, should Vericore sublicense or assign the license to a new entity created primarily for the purpose of distributing the Naturalife products and/or services (“Newco”), then Newco shall issue Somalife an option to purchase up to 10,000,000 shares in its authorized share capital at a price of USD\$0.01 per share, with such option being effected by way of a grant to purchase up to 10,000,000 shares of the same class of voting shares as initially issued to Vericore at an exercise price of USD\$0.01 per share, exercisable until 90 days after the termination of the license and an annual license royalty of \$1.00. The term of the license is one year which shall be automatically renewed for further one year periods unless terminated by either party by giving at least 90 days’ notice to the other party. In addition, Somalife may terminate the license without notice if, after sixty (60) days of providing written notice of the breach to the other party, such breach fails to be rectified or if Vericore becomes bankrupt or insolvent. Somalife has advised the Issuer that it is Somalife’s understanding that Vericore intends to incorporate Newco prior to engaging in substantial sales of Naturalife products and/or services. In the event that Vericore proposes to engage in substantial sales of Naturalife products directly rather than through Newco, Somalife and Vericore will negotiate a comparable alternate arrangement, failing which Somalife will review whether the Intellectual Property Agreement with Vericore will be terminated in accordance with its terms.

gHPSport

Somalife has entered into an Intellectual Property Agreement dated May 16, 2016 with whereby Somalife has granted gHPSport an exclusive right to use the Intellectual Property associated with the gHP brand in connection with dietary, food and nutritional supplements, the provision of information in the field of health and wellness and retail, wholesale and distribution services in relation to dietary and nutritional supplements. As consideration for the license, gHPSport has agreed to issue Somalife an option to purchase up to 10,000,000 shares in its authorized share capital at a price of USD\$0.01 per share, with such option being effected by way of a grant to purchase up to 10,000,000 shares of the same class of voting shares as initially issued to Vericore at an exercise price of USD\$0.01 per share, exercisable until 90 days after the termination of the license and an annual license royalty of \$1.00. The term of the license is one year which shall be automatically renewed for further one year periods unless terminated by either party by giving at least 90 days’ notice to the other party. In addition, Somalife may terminate the license without notice if, after sixty (60) days of providing written notice of the breach to the other party, such breach fails to be rectified or if gHPSport becomes bankrupt or insolvent.

Every Bite Counts Inc.

Somalife has entered into an Intellectual Property Agreement dated May 16, 2016 with EBCI whereby Somalife has granted EBCI an exclusive right to use the Intellectual Property associated with the EBCI and Every Bite Counts brand in connection with dietary, food and nutritional supplements, the provision of information in the field of health and wellness and retail, wholesale and distribution services in relation to dietary and nutritional supplements. As consideration for the license, EBCI has agreed to issue Somalife an option to purchase up to 10,000,000 shares in its authorized share capital at a price of USD\$0.01 per share, with such option being effected by way of a grant to purchase up to 10,000,000 shares of the same class of voting shares as initially issued to Vericore at an exercise price of USD\$0.01 per share, exercisable until 90 days after the termination of the license and an annual license royalty of \$1.00. The term of the license is one year which shall be automatically renewed for further one year periods unless terminated by either party by giving at least 90 days’ notice to the other party. In addition, Somalife may terminate the license without notice if, after sixty (60) days of providing written notice of the breach to the other party, such breach fails to be rectified or if EBCI becomes bankrupt or insolvent.

Manufacturing Agreement

Somalife has entered into a Manufacturing Agreement dated January 28, 2009 with Health Wright Products, Inc. whereby Health Wright Products, Inc. manufactures the Somalife Products for Somalife. The Manufacturing Agreement provides that the Somalife Products are to be manufactured under GMP (Good Manufacturing Practice) conditions, including that the Somalife Products will be manufactured free from contamination and stored below 32 degrees Celsius, under dry conditions and not exposed to moisture or direct sunlight. The Manufacturing Agreement provides that the manufacturer will follow applicable NSF conditions, with all inspection and testing of product lots to be at Somalife's expense. Pricing for the Somalife Products is reviewed periodically by the parties and prevailing prices are subject to increase or decrease based upon actual increases or decreases in the associated raw materials. The manufacturer is required to obtain the key amino acid raw materials from a particular supplier specified by Somalife and the manufacturer must supply Somalife with Certificates of Analysis for each lot of such raw materials.

Consulting Agreement

Somalife has entered into a Consulting Agreement with Battalion Partners LLC ("Battalion") which will become effective and is subject to, the receipt by Somalife of available capital, anticipated to be within 60 days of the first closing of this Offering, whereby Battalion will provide Somalife with corporate development, management consulting and corporate governance services for a fee of US\$3,000 per month.

All of the above-noted written agreements may be inspected at the offices of the Issuer's solicitors at during ordinary business hours.

3. DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held - Issuer

The following table sets out information about each director, officer and promoter of the Issuer and each person who directly or indirectly, beneficially owns or controls ten (10%) percent or more of any class of voting securities of the Issuer (a "Principal Holder").

Name and municipality of principal residence	Position held (e.g., director, officer, promoter and/or Principal Holder) and the date of obtaining position	Compensation paid by the Issuer since inception and the compensation anticipated to be paid in the current financial year ⁽¹⁾	Number, type and percentage of securities of the Issuer held after completion of Minimum Offering	Number, type and percentage of securities of the Issuer held after completion of Maximum Offering
Glen Eugene Vause Summerland, BC	Director April 11, 2016	Nil	100 Class "A" Voting Common Shares (100%)	100 Class "A" Voting Common Shares (0.0001%)

(1) the Issuer does not anticipate providing Mr. Vause with compensation for his position with the Issuer. The Issuer anticipates that Mr. Vause will receive compensation for certain services provided to Somalife and/or its licensee companies directly from Somalife and/or such licensee companies.

3.2 Management Experience - Issuer

Please see Item 3.5 below for the management experience and qualifications of the sole director of the Issuer, Glen Vause.

There are no existing or potential conflicts of interest among the Issuer, its directors, officers, principal security holders, promoters or persons providing professional services to the Issuer that could reasonably be expected to affect the investment decision of a Subscriber.

3.3 Penalties, Sanctions and Bankruptcy - Issuer

No director or officer, nor any company of which any director or officer is or has been a director, senior officer or control person is or was subject to a penalty or sanction, a declaration of or voluntary assignment in bankruptcy, a proposal under bankruptcy or insolvency legislation, a proceeding, arrangement or compromise with creditors or an appointment of a receiver, receiver manager or trustee of assets, which is currently in effect or has been in effect during the last ten (10) years nor any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years.

3.4 Loans - Issuer

Nil.

3.5 Compensation and Securities Held - Somalife

The following table sets out information about each director, officer and promoter of Somalife and each person who directly or indirectly, beneficially owns or controls ten (10%) percent or more of any class of voting securities of Somalife (a "Principal Holder").

Name and municipality of principal residence	Position held (e.g., director, officer, promoter and/or Principal Holder) and the date of obtaining position	Compensation paid by Somalife since inception and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of Somalife held after completion of Minimum Offering	Number, type and percentage of securities of Somalife after completion of Maximum Offering
Marlies White Kelowna, BC	President 11/ 30/2010 Director 11/30/2010	\$60,000	Nil	Nil
Van Gardener	Treasurer 11/30/2010 Director 11/30/2010	Nil	Nil	Nil
Weston Frontin Kelowna, BC	Chief Operating Officer Director 11/27/2013	\$95,000	Nil	N
Bradley J. Wood Kamloops, BC	Director 11/27/2013	Nil	Nil	Nil
Glen Eugene	Director	Nil	0	0

Name and municipality of principal residence	Position held (e.g., director, officer, promoter and/or Principal Holder) and the date of obtaining position	Compensation paid by Somalife since inception and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of Somalife held after completion of Minimum Offering	Number, type and percentage of securities of Somalife after completion of Maximum Offering
Vause Summerland, BC	11/12/2015 Sr. Corporate Finance 11/12/2015			
Vericore Ventures Inc. Buffalo, WY	Principal Holder	Nil	21,965,857 Class "A" Voting Common Shares 84.36%	21,965,857 Class "A" Voting Common Shares 84.36% ¹

Note 1: If the Maximum Offering is completed and the Issuer acquires the maximum number of 7,000,000 Series 1 Class "B" Non-Voting Preferred Shares of Somalife, and such shares are subsequently converted into 7,000,000 Class "A" Voting Common Shares of Somalife, the shareholders of Vericore Ventures Inc. would then represent 66.49% of the total issued and outstanding Class "A" Voting Common Shares of Somalife

3.6 Management Experience - Somalife

The following table discloses the principal occupations of Somalife's directors and senior officers over the past five (5) years and any relevant experience in a business similar to the Issuer.

Name	Principal occupations and related experience
Marlies White Director & President	Marlies White, Co-Founder and President of Somalife, has had many positions within the company since its inception in 1998. The original first employee, Ms. White implemented all areas of starting the business from setting up the original office to organizing shipping, customer service and bookkeeping. She has been directly involved in the implementation of multiple sales platforms and has does marketing meetings and presentations all over North America to inspire others on success, business and empowerment. In her tenure at Somalife, Ms. White has managed all aspects of network marketing and direct-to-market sales, has overseen the research, manufacturing and branding of the Somalife products and is active and has a hands-on oversight of the accounting department. Ms. White is also effective in social/community aspects of the company, being involved in local charities and community based groups. Ms. White is active daily with social media, correspondence and communications with clients of the company. Ms. White has also served as a director of Aionix Holdings Inc. since January 14, 2016.
Weston Frontin Director & COO	Director of Information and Technology for Somalife's predecessor from 2002 to 2007. In this capacity, Mr. Frontin's comprehensive technical knowledge of computers and systems facilitated his design of Somalife's data systems and his ability to accommodate growing management needs on Somalife's information technology. Mr. Frontin oversaw the team that established Somalife's warehouses in Costa Rica, the United States, and Canada and was also actively involved in deploying the necessary systems for these operations to run smoothly, from a distance. Mr. Frontin has been an integral part in the decision

Name	Principal occupations and related experience
	making for many of Somalife's new marketing strategies and business development processes, and in the overall running of Somalife. Mr. Frontin was elected as a director of Somalife on November 27, 2013 and was appointed as C.O.O. on December 1, 2013, a position which will allow Mr. Frontin to continue to utilize his many skills and his comprehensive knowledge of Somalife to manage both present and future growth.
Glen Vause Director Senior Corporate Finance	Over the last 20 years Mr. Vause has acted in roles ranging from founder to advisor for several rapid growth companies including Encore Vineyards which owns and operates multiple winery assets in British Columbia. DVDPlay (Redbox) an automated movie rental service and West Coast ATM Financial white label ATM provider in Western Canada. In these capacities, Mr. Vause has overseen capital formation, strategy development, financial/project management, acquisitions/rollups/divestitures and value creator for underperforming assets. Mr. Vause has significant experience in the financial industry, covering a multitude of areas and industries, both private and public through his work with Titan Pacific Capital Partners. His responsibilities included principal trading, equity and debt raising, mergers and acquisitions and venture capital as a facilitator and principle investor in real estate, energy, financial services, viticulture, agriculture and consumer finance industries. Mr. Vause was appointed as a director of Somalife on November 12, 2015 and as Senior Corporate Finance Officer on November 20, 2015.
Bradley Wood Director	Mr. Wood brings 29 years of professional business consulting credentials, which include a strong background in accounting, finance, marketing, operations management, and customer relations management. Mr. Wood is a lifelong entrepreneur with several successful operating enterprises including Principle of Access Consulting & Marketing Ltd. (CEO, business consulting firm, 1987-1999), The Solar Centre, Vancouver (Managing Partner, 1988-2001), Interior Vault Ltd. (CEO, 2004- present), The Milton Group of Companies (2003-present), Ideal Networks Ltd. (an Interior Vault Ltd. company - co-founder / CEO, 2014-present) and Databox Solutions Inc. (co-founder / CEO, 2015-present). Mr. Wood possesses a strong understanding of the link between marketing and sales, service, and customer relations management. Mr. Wood's expertise is in defining markets, and emerging growth opportunities, preparing financial projections, corporate financial reviews, short term – tuned business plans, and long term strategic goals.
Van Gardener Director	<p>Mr. Gardener has been involved with Somalife since its inception and has extensive experience in the retail pharmaceutical and nutraceutical industries. Mr. Gardener graduated from the University of Alberta with a Bachelor of Science in Pharmacy (with a Major in Business Administration) and is registered and licensed with the Alberta Pharmaceutical Association as an Active Practicing Member.</p> <p>Mr. Gardener was a Founding Partner, Director and Vice President of Medicine Shoppe Canada Inc. and Rexall Canada. He was responsible for operations, marketing, product development and selection, merchandising, store design and development. Medicine Shoppe Canada Inc. held the Master Franchise Rights to all Medicine Shoppe Pharmacies throughout Canada. Mr. Gardener was also a Director of American Wild Woodlands Ginseng Corp., an agricultural company that was engaged in the cultivation, harvesting and marketing of the oriental herb</p>

Name	Principal occupations and related experience
	ginseng for the world market. Mr. Gardener has held the following positions with the World Congress of Medical Acupuncture and Natural Medicine: 2nd World Congress - Advisory Committee Member, Fund Raiser, 3rd World Congress - Associate General Manager.
Glenn Purdy Senior Business Strategist	Mr. Purdy has been a successful business owner consulting with companies and individuals such as Charles J. Givens Organization, Tigrent, Enlightened Wealth Institute, WIN Systems, Mark Victor Hansen (Chicken Soup for the Soul), all of which are, or were, focused on educating businesses and individuals on being more profitable in business, finance, internet marketing or real estate. From the experiences gained from his business ownership and from previous experience as a professional financial consultant, Mr. Purdy has, over the past 20 years, shared his knowledge by way of being an international keynote address speaker, sales and success trainer, mentor, coach, author, presenter and consultant. Mr. Purdy has built successful business models and sales systems that have generated \$100's of millions in retail and direct sales for many of the companies mentioned above. Mr. Purdy joined Somalife in 2008 as a Senior Business Strategist and in this capacity he has coordinated strategic business partnerships, brand development and building, marketing and sales, and coordinating and creating incentive programs for distribution.

3.7 Penalties, Sanctions and Bankruptcy - Somalife

No director or officer, nor any company of which any director or officer is or has been a director, senior officer or control person is or was subject to a penalty or sanction, a declaration of or voluntary assignment in bankruptcy, a proposal under bankruptcy or insolvency legislation, a proceeding, arrangement or compromise with creditors or an appointment of a receiver, receiver manager or trustee of assets, which is currently in effect or has been in effect during the last ten (10) years nor any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years.

3.8 Loans - Somalife

Somalife currently owes \$621,426.83 to Ms. Marlies White, the President of Somalife from an original loan in the amount of \$650,000 issued in August 2013. The loan is reduced by monthly payments of \$5,000 and bears interest at a rate of prime minus 1.5% per annum if the loan is in arrears. While the loan is currently in arrears, Ms. White has agreed to continue to postpone payment of the arrears for the foreseeable future. Somalife owes a further approximately \$270,389 to Vericore Ventures Inc., which amount is unsecured, non-interest bearing and has no fixed terms of repayment. Somalife also owes an aggregate of \$262,234 to various prior investors pursuant to demand loans which amount are unsecured and non-interest bearing and a further demand loan of approximately \$86,532 which bears interest at 10% per annum.

4. CAPITAL STRUCTURE

4.1 Share Capital - Issuer

The following table provides a summary of the outstanding securities of the Issuer (including options, warrants, and other securities convertible into Class "B" Shares).

Description of security	Number authorized to be issued	Number outstanding as at May 31, 2016	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Class "A" Voting Common Shares	Unlimited	100	100	100
Class "B" Voting Common Shares	Unlimited	0	0	7,000,000

4.2 Long Term Debt - Issuer

The following table summarizes information about outstanding long term debt of the Issuer.

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at May 31, 2016
Nil	Nil	Nil	Nil

4.3 Prior Sales - Issuer

The Issuer has issued the following securities during the last twelve (12) months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
April 11, 2016	Voting Common Shares ⁽¹⁾	100	\$0.01	\$1.00

⁽¹⁾ these shares were redesignated as Class "A" Voting Common Shares on May 5, 2016.

4.4 Share Capital - Somalife

The following table provides a summary of the outstanding securities of Somalife (including options, warrants, and other securities convertible into shares of Somalife).

Description of security	Number authorized to be issued	Number outstanding as at May 31, 2016	Number outstanding after Minimum Investment by Issuer	Number outstanding after Maximum Investment by Issuer
Class "A" Voting Common Shares	Unlimited	26,037,916	26,037,916	26,037,916
Class "B" Non-Voting Preferred	Unlimited	Nil	Nil	7,000,000 ⁽¹⁾

Description of security	Number authorized to be issued	Number outstanding as at May 31, 2016	Number outstanding after Minimum Investment by Issuer	Number outstanding after Maximum Investment by Issuer
Shares				

⁽¹⁾ These shares will be issued in a series and will be known as the Series 1 Class “B” Non-Voting Preferred Shares

4.5 Long Term Debt - Somalife

The following table summarizes information about outstanding long term debt of Somalife.

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at June 17, 2016
Secured Demand Loan of \$650,000	Prime minus 1.5% per annum if in arrears	\$5,000 / month until paid in full	\$621,426.83
Unsecured Demand Loans of \$262,234	Nil	No specific terms	\$262,234
Unsecured Demand Loan of \$86,532	10% per annum	\$1000/month	\$86,532
Unsecured Loan of \$270,389	Nil	No specific terms	\$270,389

4.6 Prior Sales - Somalife

Somalife has issued the following securities during the last twelve (12) months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
N/A				

5. SECURITIES OFFERED

5.1 Terms of Securities

The Issuer is authorized to issue an unlimited number of Class “A” Shares without nominal or par value and an unlimited number of Class “B” Shares (the Class “A” Shares and the Class “B” Shares are collectively referred to herein as the “VCC Common Shares”). Subject to the Act and the SBVC Act, during the earlier of (i) the period during which the Issuer has had at least 80% of the equity capital it has raised invested in one or more Eligible Small Businesses (as defined in the SBVC Act) for an aggregate period of not less than five years and (ii) the period after which the Issuer has met its minimum investment requirements under the SBVC Act (the “Five Year Investment Period”), the holders of the VCC Common Shares are entitled to receive fixed

cumulative dividends at the rate of seven percent (7%) per annum payable annually on the “Redemption Price” of such VCC Common Shares, and the Issuer shall pay such dividends as and when declared by the directors of the Issuer out of the monies of the Issuer properly applicable to the payment of dividends. The “Redemption Price” is defined as the amount paid up on the relevant VCC Common Share plus any unpaid cumulative dividends. No fixed, cumulative dividends are payable in respect of the VCC Common Shares after the expiry of the Five Year Investment Period. Holders of the VCC Common Shares are entitled to one (1) vote per share held at any meeting of shareholders of the Issuer. The Class “A” Shares may be redeemed only upon mutual written consent by the Issuer and the relevant holder of the Class “A” Shares. The Class “B” Shares may only be redeemed by the Issuer upon completion of the Five Year Investment Period.

The holders of Class “B” Shares shall have the right, after the expiry of the Five Year Investment Period, to convert all but not less than all of their Class “B” Shares into an equal number of Class “A” Shares. Upon conversion, the Issuer shall provide the holder with a share certificate representing the Class “A” Shares and shall pay to the holder any unpaid cumulative dividends declared on the converted Class “B” Shares (the “Accrued Dividend Amount”), which shall be payable in cash, Class “A” Shares, promissory note or any combination thereof in the sole discretion of the Issuer’s board of directors. If the Accrued Dividend Amount is payable in whole or in part by Class “A” Shares, the amount to be converted into such Class “A” Shares shall be determined by dividing such amount by the original issue price of the corresponding Class “B” Share. If the Accrued Dividend Amount is payable in whole or in part by a promissory note, the promissory note will have a maturity date of two (2) years from the date of the corresponding conversion notice and will bear interest at the Bank of Montreal’s Prime Rate (as at the date of issuance of the promissory note) plus one (1) percent per annum.

Upon liquidation or winding-up of the Issuer, the holders of the VCC Common Shares shall be entitled to receive the Redemption Price in respect of each VCC Common Share held and thereafter all such holders of VCC Common Shares will be entitled to participate in any further distribution of property or assets of the Issuer on a pro rata basis.

The Subscription Price for the Class “B” Shares has been arbitrarily determined by the Issuer. The Issuer is offering a maximum of 7,000,000 Class “B” Shares for gross aggregate proceeds of up to \$5,000,000. **Should the maximum offering not be subscribed for, the Issuer will seek investments for the Class “B” Shares from persons who are exempt from prospectus and registration requirements pursuant to exemptions provided by NI 45-106.**

5.2 Subscription Qualification

The Corporation is offering in the Provinces and Territories of Canada, pursuant to prospectus and registration exemptions under the securities legislation of such jurisdictions, up to 7,000,000 Class “B” Shares. The issue price per Class “B” Share will be equal to \$0.50 per Class “B” Share for up to the first 4,000,000 Class “B” Shares sold and thereafter will be equal to \$1.00 per Class “B” Share for the remaining Class “B” Shares sold to an aggregate maximum of \$5,000,000.

The Class “B” Shares are offered pursuant to any one of the exemptions under NI 45-106 from the prospectus requirements of applicable securities laws and the exemptions under NI 31-103 from the registration requirements of applicable securities laws. Such exemptions relieve the Issuer from provisions under applicable securities laws requiring the Issuer to file a prospectus and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities commission or similar authority.

While NI 45-106 provides for several different possible prospectus exemptions, the most commonly used exemptions utilized for an investment in the Class “B” Shares are the “accredited investor”, “minimum amount investment” and “offering memorandum” exemptions, the terms and conditions of which are summarized below.

Accredited Investor

In all jurisdictions an investor may purchase Class “B” Shares if the investor is an “accredited investor” and purchase the Class “B” Shares as principal. An “accredited investor” is defined in NI 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For example, for an individual person to qualify as an “accredited investor” they must generally meet one of the following criteria: (i) annual net income of at least \$200,000 for the last two years (or \$300,000 if combined with their spouse); (ii) net assets of at least \$5,000,000, either along or combined with their spouse; or (iii) net financial assets (i.e. cash, securities, deposits, but excluding real estate and other non-financial assets) of more than \$1,000,000, either alone or combined with their spouse. The Subscription Agreement includes a more detailed description of “accredited investor” and requires the investor relying on this exemption to certify that they meet at least one of the “accredited investor” criteria. Certain individuals who are relying on the accredited investor exemption will also be required to complete and sign a Risk Acknowledgement Form 45-106F9.

Minimum Amount Exemption

In all jurisdictions, an investor who is not an individual may purchase Class “B” Shares, as principal, having a minimum cash acquisition cost of \$150,000. For purposes of determining eligibility for subscribing for Class “B” Shares pursuant to the “minimum amount investment” exemption, an “individual” means a natural person and does not include any of the following: partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts and natural persons acting in the capacity of trustee, executor, administrator or personal or other legal representative. The minimum amount investment exemption is not available for an investor that was created or is used solely to purchase or hold securities in reliance on this exemption.

Offering Memorandum Exemption

In **British Columbia and Newfoundland and Labrador**, an investor may purchase Class “B” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgement Form 45-106F4 which accompanies the Subscription Agreement and delivers it to the Corporation.

In **Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon**, an investor, provided he, she or it is purchasing as principal and is either an “eligible investor” (see below) or the cash acquisition cost to that investor does not exceed \$10,000, may purchase Class “B” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgement Form 45-106F4 and the Representation Letter which accompany the Subscription Agreement and delivers them to the Corporation.

In **Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan**, subject to certain investment limitations, an investor who is purchasing as principal, may purchase Class “B” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum, the investor completes and signs the Risk Acknowledgement Form 45-106F4, the Schedule 1 Classification of Investors Under the Offering Memorandum Exemption and the Schedule 2 Investment Limits for Investors Under the Offering Memorandum Exemption which accompany the Subscription Agreement and delivers them to the Corporation.

In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan there are limitations on how much an individual investor may invest in the Corporation, such limitations being set out as follows:

- (i) if the investor is an individual and does not qualify as an “eligible investor”, the maximum value of shares purchased under the Offering Memorandum Exemption during the twelve month period preceding the completion of the Subscription Agreement by the investor, including the value of the Class “B” Shares being purchased, cannot exceed \$10,000 in the aggregate;
- (ii) if the investor is an individual and qualifies as an “eligible investor”, the maximum value of shares purchased under the Offering Memorandum Exemption during the twelve month period preceding the completion of the Subscription Agreement by the investor, including the value of

the Class “B” Shares being purchased, cannot exceed \$30,000 in the aggregate; and

- (iii) if the investor is an individual and qualifies as an “eligible investor” and has been advised by a portfolio manager, investment dealer or exempt market dealer that the investment in the Class “B” Shares is suitable, the maximum value of shares purchased under the Offering Memorandum Exemption during the twelve month period preceding the completion of the Subscription Agreement by the investor, including the value of the Class “B” Shares being purchased, cannot exceed \$100,000 in the aggregate.

Exemptions from Investment Limits

The investment limits noted above do not apply to Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan non-individual investors, provided that such non-individual investors were not created, or used, solely to purchase or hold securities in reliance on the exemption from prospectus requirements as set out in subsection 2.1 of NI 45-106.

The investment limits noted also do not apply to Alberta, New Brunswick, Nova Scotia, Ontario, Québec Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Yukon and Saskatchewan investors who are accredited investors or are persons who are closely associated with the Issuer either by way of being an officer or director of the Issuer or an affiliate of the Issuer or by way of having a close personal friendship or close business association with an officer or director of the Issuer or an affiliate of the Issuer.

Definition of “eligible investor”

An “eligible investor” is defined in NI 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For more specific information the qualifications necessary to be deemed an “eligible investor” please refer to the Representation Letter attached to the Subscription Agreement if you are an investor resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or the Yukon or refer to the Schedule 1 - Classification of Investors Under the Offering Memorandum Exemption attached to the Subscription Agreement if you are an investor resident in Alberta, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan.

5.3 Subscription Procedure

To subscribe for the Class “B” Shares, Subscribers must deliver to the Issuer or to Pushor Mitchell LLP, the following:

- (a) a Subscription Agreement completed and executed, substantially in accordance with the form attached as Schedule “A” indicating the number of Class “B” Shares that the subscriber wishes to purchase;
- (b) a certified cheque, bank draft or money order payable to “Pushor Mitchell LLP In Trust”, for the total subscription price (the “Subscription Price”);
- (c) two executed copies of the Risk Acknowledgement Form attached as Exhibit I to Schedule “A” **with one copy to be kept by the Subscriber;**
- (d) one executed copy of Personal Information Notification Form attached as Exhibit III to Schedule “A”;
- (e) if a non-registered finder is involved in the investment, two executed copies of the Risk Acknowledgement form attached as Exhibit II to Schedule “A” **with one copy to be kept by the Subscriber; and**
- (f) such other exhibits as are required based on jurisdiction of residency as set out pursuant to Section 4 - Prospectus Exemptions and Required Documentation of the Subscription Agreement.

The Subscription Agreement contains representations and warranties of the Subscriber that the Issuer and its legal counsel will be relying upon in order to determine the eligibility of the Subscriber to participate in this Offering. The Subscriber must read the Subscription Agreement in full prior to execution, and is encouraged to obtain independent legal advice. Subscriptions for the Class “B” Shares will be received subject to rejection or allotment in whole or in part in the sole discretion of the Issuer and the Issuer reserves the right to close the Subscription book at any time without notice.

The Issuer reserves the right to allot to a Subscriber a number of Class “B” Shares that are less than subscribed for by the Subscriber. Promptly after the Issuer’s acceptance or rejection of a Subscription, confirmation of the acceptance or rejection will be delivered to the Subscriber. If the Subscription is rejected in whole, the Issuer will also return the Subscription Price. If the Subscription is accepted in part, the Issuer will deliver to the Subscriber a cheque in an amount equal to the Subscription Price for the value of the Class “B” Shares subscribed for but not accepted by the Issuer. Any Subscription payment returned to Subscribers will be without interest, penalty or deduction.

When a Subscription is received by the Issuer, the Subscription Price will be held in trust for at least two (2) business days to permit the Subscriber, if the Subscriber so elects, to cancel the purchase of the subscribed for Class “B” Shares in accordance with provisions set out in Exhibit I. Thereafter, the Subscription Price is not refundable and is available to the Issuer as herein provided.

Subscriptions will be accepted from time to time at the discretion of the Issuer as Subscriptions are received up to and on the Closing Dates.

5.4 Exemptions from Registration Requirements

The Issuer does not consider itself to be in the business of trading securities and therefore will rely upon the registration exemption contained in Part 8.4 of NI 31-103 and the equivalent exemptions under applicable provincial securities laws. In the event that the Issuer is deemed to be in the business of trading securities, it will rely on the exemption contained in British Columbia Instrument 32-513 “Registration exemption for trades in connection with certain prospectus-exempt distributions” and equivalent exemptions as adopted in Alberta, Manitoba and the Territories to the extent available.

5.5 Exemptions from Prospectus Requirements

The Issuer will rely upon the exemptions outlined under Item 5.2 - Subscription Qualification. These exemptions provide that the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue if the purchaser purchases the security as principal and provides the documentation noted for each specific prospectus exemption relied on.

The Class “B” Shares offered in this Offering may only be purchased by persons who are, or who are deemed to be (under the applicable securities legislation) purchasing as principals for their own account and not for the benefit of any other person, for the purpose of investment only and not with a view to, or for sale in connection with, any sale or distribution thereof.

6. INCOME TAX CONSEQUENCES

6.1 General

The information in this Section 6 was reviewed by Pushor Mitchell LLP, legal and tax counsel to the Issuer. Pushor Mitchell LLP considers the following to be a fair summary of the principal Canadian federal income tax considerations generally relevant to Subscribers who, for the purposes of the Tax Act, are resident in Canada, deal at arm’s length with the Issuer at all relevant times and beneficially hold their Class “B” Shares as capital property. Class “B” Shares are generally considered to be held as capital property unless the Class “B” Shares are held by the Subscriber in the course of carrying on a business or as an adventure or concern in the nature of trade.

The Issuer is registered as a VCC under the SBVC Act. This summary assumes that the Issuer is, and will continue to be, qualified as a VCC under the SBVC Act.

The summary is based upon the current provisions of the Tax Act and the SBVC Act, all published proposals to amend the Tax Act and the SBVC Act to June 23, 2016 and on the published administrative practices of the Canada Revenue Agency. It is assumed that all such published proposals to amend the Tax Act and the SBVC Act will be enacted substantially as currently proposed, and that there will be no other material change to any relevant law or practice, although no assurances can be given in these respects.

This summary is not exhaustive of all possible applicable income tax consequences, nor does it take into account any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from those discussed.

Pushor Mitchell LLP has reviewed and relied on certain information provided to them by management of the Issuer, and has not made any independent verification of facts.

Subscribers should consult their own professional tax advisors to obtain advice on the income tax consequences associated with acquiring, owning, and disposing of the Class “B” Shares that specifically apply to them. Income tax consequences are not a material aspect of the securities being offered and it is not anticipated that there are any material income tax consequences to the Subscriber resulting from this Offering. No application has been made, nor is it intended that any application will be made, to the Canada Revenue Agency for an advanced income tax ruling with respect to the tax consequences of acquiring or holding the Class “B” Shares.

6.2 Income Tax Considerations - Subscriber

Tax Credit

Tax credits pursuant to the SBVC Act are outlined below under Item 6.5.

Interest Deductibility

Reasonable interest that is paid or payable pursuant to a legal obligation to pay interest on money borrowed to purchase the Class “B” Shares may be deductible by a Subscriber provided that the Class “B” Shares are purchased for the purpose of gaining or producing income from the Class “B” Shares, except to the extent that the Subscriber holds the shares in a registered retirement savings plan (a “RRSP”) or a tax-free savings account (a “TFSA”).

Disposition of Class “B” Shares

On a disposition of Class “B” Shares to a person other than the Issuer or on a deemed disposition of Class “B” Shares in a taxation year, the Subscriber will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by, respectively) the adjusted cost base to the Subscriber of those Class “B” Shares.

One-half of any such capital gain (the taxable capital gain) must be included in the Subscriber’s income. If the Class “B” Shares are held in an RRSP, a registered retirement income fund (a “RRIF”) or a TFSA, no income tax will be currently payable on any capital gain realized on a disposition or a deemed disposition of Class “B” Shares, however tax will be payable upon withdrawal from an RRSP or RRIF.

The Subscriber may, subject to certain limits, deduct one-half of any such capital loss (the allowable capital loss) from taxable capital gains realized in the year and, to the extent not so deductible, from taxable capital gains realized in any of the three preceding or any following taxation year. A capital loss may be reduced by all or a portion of tax credits received pursuant to the SBVC Act.

Redemption of Class “B” Shares

On the redemption or purchase by the Issuer of Class “B” Shares, the Subscriber will be deemed to receive a dividend to the extent, if any, that the payment by the Issuer for the Class “B” Shares exceeds the paid-up capital of the Class “B” Shares, and the balance of the payment by the Issuer will be received by the Subscriber as proceeds of disposition of the Class “B” Shares. To the extent, if any, that such proceeds of disposition exceed (or are exceeded by) the Subscriber’s adjusted cost base of the Class “B” Shares, the Subscriber will realize a

capital gain (or capital loss, respectively) that will be subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

Alternative Minimum Tax

The Tax Act provides for an alternative minimum tax applicable to individual Subscribers if their minimum amount, which is computed by reference to an adjusted taxable income amount, exceeds their tax otherwise payable. Alternative minimum tax is applied at the rate of 15% on the amount by which an individual's adjusted taxable income exceeds \$40,000, and may be carried forward for seven years to reduce federal tax in future years.

Capital gains realized on the disposition or deemed disposition of Class "B" Shares may result in an individual Subscriber being liable to alternative minimum tax, or increase the individual Subscriber's liability for alternative minimum tax.

Dividends

Dividends, other than capital dividends, received on Class "B" Shares will be included in computing the Subscriber's income. Individual Subscribers will be subject to the gross-up and dividend tax credit rules in the Tax Act. Corporate Subscribers may be entitled to a deduction in respect of the dividends, but may also be liable for refundable dividend tax under Part IV of the Tax Act.

Capital dividends received on Class "B" Shares will be received by the Subscriber tax-free.

If the Class "B" Shares are held in an RRSP, RRIF or TFSA, no dividend tax will be currently payable on dividends received on Class "B" Shares, however tax will be payable upon withdrawal from an RRSP or RRIF.

6.3 Eligibility for Registered Investments

Qualified Investment

The Class "B" Shares will be qualified investments for a trust governed by a RRSP, a RRIF or a TFSA at any particular time provided that the Class "B" Shares at such particular time are not a prohibited investment for the purposes of the Tax Act.

The Class "B" Shares will be a prohibited investment for a Subscriber who is the annuitant of the RRSP or RRIF, or holder of the TFSA, unless the shares are excluded property, at any time if:

- (a) the Subscriber does not deal at arm's length with the Issuer;
- (b) the Subscriber holds, directly or indirectly, not less than 10% of the issued shares of any class of shares of the Issuer or of any corporation that is related to the Issuer; or
- (c) the Issuer ceases to be a VCC registered under the SBVC Act.

For the purposes of determining whether an individual Subscriber holds not less than 10% of the issued shares of any class of shares of the Issuer or of any corporation that is related to the Issuer:

- (a) each Subscriber is deemed to own each share of the capital stock of the Issuer owned at that time by a person with whom the Subscriber does not deal at arm's length;
- (b) subject to (d) below, each beneficiary of a trust is deemed to own that proportion of all such shares owned by the trust at that time that the fair market value at that time of the beneficial interest of the beneficiary in the trust is of the fair market value at that time of all of the beneficial interests in the trust;
- (c) each member of a partnership is deemed to own that proportion of all the shares of any class of the capital stock of the Issuer that are property of the partnership at that time that the fair market value at that time of the member's interest in the partnership is of the fair market value at that time of the interests of all members in the partnership; and
- (d) a beneficiary of a discretionary trust is deemed to own all of the shares of the capital stock of the Issuer owned at that time by the trust.

The Class “B” Shares will be excluded property of a Subscriber for the purposes of the Tax Act, and not a prohibited investment, if certain equity tests of the Subscriber’s holdings are met.

The above is a summary only. The detailed rules for determining whether the Class “B” Shares will be a qualified investment for a Subscriber are set out in the Tax Act. Not all Class “B” Shares are qualified investments and Subscribers should consult their own professional tax advisors to obtain advice as to whether the Class “B” Shares are qualified investments based on their own particular circumstances.

Class “B” Shares Acquired by an RRSP

An individual Subscriber that is the annuitant of an RRSP or whose spouse is the annuitant of a spousal RRSP can cause the RRSP to acquire the Class “B” Shares by making a contribution to the RRSP, subject to having sufficient RRSP deduction limit. The annuitant is entitled to the tax credit under the SBVC Act where the Class “B” Shares are acquired by the RRSP.

Contributions to RRSPs are deductible in accordance with the provisions of the Tax Act. An individual Subscriber may, for each year, deduct against taxable income an amount equal to the lesser of the contribution and the Subscriber’s remaining RRSP deduction limit for the year. A Subscriber’s RRSP deduction limit for a year is generally defined in the Tax Act as the Subscriber’s unused RRSP deduction room at the end of the preceding taxation year, plus the lesser of 18% of the Subscriber’s earned income for the preceding year and the RRSP dollar limit for the current taxation year, all subject to certain pension plan adjustments.

An individual Subscriber’s unused RRSP deduction limit for 1991 and subsequent years can be carried forward to increase the amount of the individual Subscriber’s RRSP deduction limit, subject to adjustment, for a subsequent year. Contributions made to an RRSP on or before the day that is 60 days after December 31 can be deducted against taxable income, subject to the limitations discussed above, for the year in which the contribution is made, or the preceding year.

Class “B” Shares Contributed to an RRSP

An individual Subscriber that has acquired Class “B” Shares from the Issuer can transfer those shares to an RRSP of which the Subscriber is the annuitant or whose spouse is the annuitant of a spousal RRSP, subject to having sufficient RRSP deduction limit. The transfer will be a contribution equal to the fair market value of the Class “B” Shares, and will be deductible in accordance with the usual rules of the Tax Act (as described above).

The determination of the fair market value of the Class “B” Shares at the time of the transfer is dependent on the facts, and subject to review and challenge by the Canada Revenue Agency. An individual Subscriber who wishes to acquire the Class “B” Shares and then transfer them to an RRSP at a later date should be aware that there is a potential risk of realizing a capital gain or capital loss as a result of doing so.

Class “B” Shares Contributed to or Acquired by a RRIF

A Subscriber can transfer Class “B” Shares to a RRIF which will be a disposition of the Class “B” Shares by the Subscriber subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

The annuitant is entitled to the tax credit under the SBVC Act where the Class “B” Shares are acquired by the RRIF.

The Tax Act requires that a minimum percentage of the RRIF assets be withdrawn each year. If the RRIF does not hold sufficient liquid assets to meet with minimum withdrawal requirement, a portion of the Class “B” Shares may have to be withdrawn from the RRIF.

Class “B” Shares Contributed to a TFSA

An individual Subscriber that has acquired Class “B” Shares from the Issuer can transfer those shares to a TFSA of which the Subscriber is the holder, subject to having sufficient TFSA contribution room. The transfer will be a contribution equal to the fair market value of the Class “B” Shares.

The determination of the fair market value of the Class “B” Shares at the time of the transfer is dependent on the facts, and subject to review and challenge by the Canada Revenue Agency. An individual Subscriber who wishes to acquire the Class “B” Shares and then transfer them to a TFSA at a later date should be aware that there is a potential risk of realizing a capital gain or capital loss as a result of doing so.

The holder is not entitled to the tax credit under the SBVC Act where the Class “B” Shares are acquired by the TFSA.

6.4 Income Tax Considerations - Issuer

The Issuer will qualify as a Canadian-controlled private corporation under the Tax Act provided that it is not controlled, directly or indirectly in any manner whatever, by one or more non-resident persons, public corporations, corporations a class of shares of the capital stock of which is listed on a designated stock exchange or any combination of the foregoing.

The Issuer will be required to file income tax returns for each year and pay income taxes owing under the Tax Act.

Dividends

Dividends received by the Issuer from taxable Canadian corporations will generally not be subject to income tax under Part I of the Tax Act. Provided that dividends received are an eligible investment within the meaning of the SBVC Act, the Issuer will not be subject to income tax under Part IV of the Tax Act on such dividends.

Capital Gains and Losses

Gains or losses realized by the Issuer on the disposition of its investments will generally be treated as capital gains or losses, subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

Interest and Investment Income

Interest and investment income, other than dividends received on shares of taxable Canadian corporations, will be included in computing the Issuer’s income for a year.

To the extent that dividends are paid by the Issuer, the Issuer will be entitled to a refund of a portion of income tax paid on certain income of the Issuer, including interest and investment income, calculated in accordance with the Tax Act.

6.5 Tax Credit Pursuant to SBVC Act

The Issuer will apply on behalf of each Subscriber who is an individual resident in British Columbia at the date they invest in the Class “B” Shares or a corporation with a permanent establishment in British Columbia, or on behalf of an annuitant where the Subscriber is an RRSP or RRIF, for a tax credit certificate entitling the Subscriber or annuitant to a tax credit equal to 30% of the amount received by the Issuer from the Subscriber for the purchase of the Class “B” Shares. For individuals to be eligible to obtain a tax credit, their investment must be made within a calendar year or within 60 days of the following year. Tax credit certificates may only be issued if the Issuer complies with the requirements and intent of the SBVC Act. The Issuer currently is in compliance with the SBVC Act and intends to continue to remain in compliance.

A Subscriber who is an individual investor must deduct the lesser of his or her tax credit or \$60,000, against tax otherwise payable under the BC Tax Act for that taxation year. To the extent that the tax credit of the individual exceeds the amount of provincial tax payable, the individual will be entitled to a refund of the difference between the lesser of \$60,000 or his or her tax credit and the tax otherwise payable, after deducting certain other credits available under the BC Tax Act.

In administering the refund process, the refund must first apply to offset other amounts payable, including arrears under both the Tax Act and the BC Tax Act. If an individual has a tax credit in excess of \$60,000, the excess may be carried forward and used, subject to the \$60,000 annual limit, in any of the four subsequent taxation years. Note that an individual shareholder may claim a tax credit for the prior taxation year if an investment in shares of a VCC is made within the first 60 days of that year.

If an individual Subscriber resides in British Columbia at the date of the investment for Class “B” Shares but resides outside of the province at the end of the year, this may affect the Subscriber’s ability to claim the tax credit. Individual Subscribers who plan to move outside of British Columbia before year-end are urged to consult with their professional advisors about their eligibility to claim the tax credit.

A Subscriber that is a corporation must deduct the tax credit earned in the taxation year from tax otherwise payable by the Subscriber under the BC Tax Act; there is no annual limit on the tax credit for corporations. A corporation is not entitled to a refund in respect of a taxation year if the amount of the tax credit exceeds the amount of its tax otherwise payable under the BC Tax Act for the taxation year.

A tax credit not so utilized by a corporation may be carried forward for up to four subsequent taxation years and may be utilized to the extent that there is tax otherwise payable under the BC Tax Act for the taxation year.

Equity Capital Authorization

Before a VCC such as the Issuer can raise equity capital and issue shares it must have an authorization from the Equity Capital Program to do so. All authorizations granted to VCC’s are specific both with respect to the maximum amount of capital the VCC can raise and with respect to the length of time in which this raising of funds can occur. On June 3, 2016, the Issuer was granted an authorization for the 2016 taxation year allowing it to raise capital of up to \$5,000,000 on or before March 1, 2017.

It should be noted that the total amount of venture capital tax credits that may be issued each year to investors is limited by Section 29.1 of the SBVC Act and Section 21 of the SBVC Regulations. When the venture capital tax credit budget is reached, the Issuer’s equity authorization will be suspended, and further investments in Class “B” Shares will not qualify for tax credits under the SBVC Act.

No tax credits will be issued to Subscribers who purchase shares in a VCC that does not have a valid authorization to raise equity capital or where the authorization has expired or is suspended prior to the Subscriber’s purchase of the Class “B” Shares.

Term of the Investment

Under the SBVC Act, the Issuer is required to have at least 40 percent of its raised equity capital invested in eligible small businesses by the end of its next fiscal year and 80 percent within the second fiscal year following the year in which the equity capital was raised. The Issuer must also have a minimum of 80% of its raised equity capital invested in one or more eligible small businesses for an aggregate of 5 years.

Should the Issuer for any reason divest itself of an “eligible investment” prior to the expiration of the statutory 5-year period and fall below the minimum investment level requirements, the Issuer must reinvest additional funds into another “eligible investment” for the remainder of the 5-year period or it may face the possibility of program suspension and repayment of tax credits.

Consequences of Non-Compliance

There are a variety of situations that can arise to cause a VCC to not be in compliance with the SBVC Act. The result of a failure to comply with the legislation varies depending upon the particular nature of the non-compliance but essentially the Administrator can require any non-complying VCC to either rectify the circumstances of non-compliance or to pay back the tax credits previously issued to its shareholders. In some circumstances, the directors, officers or major shareholders of a VCC, or an eligible small business, may be held jointly liable to repay tax credits to the province.

Fees and Remuneration

The Issuer, pursuant to its corporate Articles, may not pay any fees or remuneration to any director or officer or shareholder of the Issuer, or to any “affiliate” or “associate” (as those terms are defined in the SBVC Act) of those persons except as permitted by special resolution voted upon at least annually.

7. OFFERING MEMORANDUM MARKETING MATERIALS

The Issuer and/or one or more Finders or Exempt Market Dealers have distributed the following written communications intended for prospective purchasers regarding the distribution of the Class “B” Shares under this Offering Memorandum which contain materials facts relating to the Issuer, the Class “B” Shares or the Offering:

- Executive Summary
- One Page Flyer

8. COMPENSATION PAID TO SELLERS AND FINDERS

The Issuer intends to engage Robson Capital Partners as its exclusive lead agent for the duration of the offering. However, the Issuer may pay a commission or finder’s fee of up to 10% to Finders in respect of investors under the Offering Memorandum who have been introduced to the Issuer and/or the investment opportunity by such Finders.

9. RISK FACTORS

Purchase of Class “B” Shares pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Class “B” Shares at this time involves a number of risks. If any of these risks materialize, or if others materialize, then the Issuer’s business, operating results and financial condition could be seriously harmed and investors could lose some or all of their investment. In addition to the risk factors discussed elsewhere in this Offering Memorandum, investors should carefully consider the following risks associated with an investment in the Class “B” Shares. An investment in Class “B” Shares is appropriate only for investors who are prepared to invest money at least until after the 5th anniversary of the date of the last investment of the Issuer in any Somalife Class “B” Shares and who have the capacity to absorb a loss of some or all of their investment.

9.1 Investment and Issuer Risks

No Market for the Class “B” Shares - An investment in the Class “B” Shares is an illiquid investment. There is currently no market through which the Class “B” Shares may be sold. The Offering price for the Class “B” Shares has been arbitrarily determined and set by the Issuer. The Issuer is not a “reporting issuer” in any jurisdiction, and a prospectus has not qualified the issuance of the Class “B” Shares. Accordingly, investors will be unable to sell the Class “B” Shares of the Issuer, subject to certain limited exceptions. **See Item 10 – Resale Restrictions.** Investors will have no right to redeem the Class “B” Shares. Purchasers should be prepared to hold the Class “B” Shares indefinitely and cannot expect to be able to liquidate their investment even in an emergency. Accordingly, an investment in the Class “B” Shares is suitable only for investors who are able to make and bear the economic risk of a long-term investment.

Restrictions on Transfer - The Class “B” Shares are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Class “B” Shares unless you comply with an exemption from the prospectus and registration requirements under securities legislation. **See Item 10 – Resale Restrictions.**

Conflicts of Interest – The director and officer will not be devoting all of his time to the affairs of the Issuer, but will be devoting such time as required to effectively manage the Issuer. The director and officer of the

Issuer is engaged in, and will continue to be engaged in, other business interests on his own behalf and/or on behalf of others. There are potential conflicts of interest to which the director and officer of the Issuer will be subject to in connection with the operations of the Issuer and/or Somalife. The director and officer of the Issuer is also a director and officer of Somalife. Situations could arise where the director and officer could be perceived to be in a position of conflict with the Issuer and/or Somalife.

Reliance of Third Parties – The operating success of the Issuer will be dependent upon a number of third parties including, but not limited to, Somalife and the licensees under the License Agreements. There can be no assurance that these third parties will perform their various obligations in a timely or effective manner, or in manner that will be positive for the Issuer.

Limited Assets – The Somalife Shares are expected to represent the only major assets of the Issuer (other than cash on hand). The License Agreements, together with the associated options to acquire equity interests in the corresponding licensees, and the Technology License Agreement, together with its associated option to purchase the corresponding patents, represent the only major assets in which Somalife has an interest (other than cash on hand and inventory on hand). The Issuer's financial performance is directly tied to the value of the Somalife Shares it will acquire. Somalife's financial performance, and consequently the value of the Somalife Shares and the common shares of Somalife into which the Somalife Shares are convertible, is directly tied to Somalife's ability to exercise its rights under the License Agreements and the Technology License Agreement, as well as the value of the underlying equity interests in the licensees for which Somalife has an option. Neither the Issuer nor Somalife has a large portfolio of diverse assets.

No Regulatory Review - Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

Less than Full Offering – There can be no assurance that this Offering will be completely sold out. If less than all of the Class "B" Shares are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Issuer and, consequently, its business development plans and prospects, as well as those of Somalife, could be adversely affected.

Uninsured Losses – The Issuer will require Somalife to arrange for comprehensive insurance, including products liability insurance and general commercial liability insurance. There can be no assurance that such insurance coverage will be adequate or sufficient to protect against all potential risks of loss.

Tax Risks – Investors should carefully consider and obtain appropriate professional advice in respect of the Canadian federal and provincial tax consequences of an investment in the Shares. **See Item 6 – Income Tax Consequences.** The discussions of the income tax consequences of an investment in the Class "B" Shares contained in this Offering Memorandum are for general information purposes only and are not intended to be a complete analysis or discussion of all possible tax consideration that may be relevant to an investment in the Class "B" Shares. Prospective investors are urged to consult with their own professional advisors concerning their specific circumstances prior to investing in the Class "B" Shares.

9.2 Somalife Risks

Reliance on Management – When assessing the risks inherent in an investment in the Class "B" Shares, investors should appreciate that they will, in large part, be relying on the good faith and expertise of the director of the Issuer and the directors and officers of Somalife, and their judgment, experience, abilities and continued involvement with Somalife. Somalife does not maintain key person life insurance on these individuals. In addition, the ability of Somalife to successfully implement its business strategy will depend, in large part, on the continued involvement of the current board of directors and officers of Somalife. If Somalife loses the services of either of these individuals, the business, financial condition, and results of operations of Somalife may be

materially adversely affected. Somalife may retain independent contractors to provide services to Somalife. These contractors will generally have no fiduciary duty to Somalife.

Conflicts of Interest – Certain of the directors and officers of Somalife will not be devoting all of their time to the affairs of Somalife, but will be devoting such time as required to effectively manage Somalife. Certain of the directors and officers of Somalife are engaged in, and will continue to be engaged in, other business interests on their own behalf and/or on behalf of others. There are potential conflicts of interest to which the directors and officers of Somalife will be subject to in connection with the operations of Somalife. In particular, but without limiting the foregoing, Marlies White is also a director of Aionix Holdings Inc., a licensor to Somalife, and Glen Purdy is a director, officer and/or principal of Vericore Ventures Inc., the controlling shareholder and a licensee of Somalife, and several other Somalife licensees. Situations could arise where the directors and officers could be perceived to be in a position of conflict with Somalife.

Controlling Shareholder – As of the date hereof, Vericore Ventures owns 84.36% of the currently issued and outstanding Class “A” Voting Common Shares of Somalife. The interests of Somalife may differ from those of the Issuer. The number of voting shares held By Vericore Ventures Inc. in Somalife, and the resulting degree of control over Somalife exercised by Vericore Ventures Inc. may make it very difficult for the other shareholders of Somalife, including the Issuer, to (among other things) replace incumbent directors and management and affect the ability of the other shareholders to have an influence on the direction of Somalife.

Limited Operating History - Somalife is newly reorganized and does not have record of achievement subsequent to this reorganization to be relied upon. Somalife’s operations are subject to all the risk inherent in the establishment of a new business enterprise, including a lack of operating history. Somalife cannot be certain that its operational strategy will be successful. The likelihood of the success of Somalife must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business and with the manufacturing and distribution of building products generally. If Somalife fails to address any of these risks or difficulties adequately, its operations may be materially adversely affected. There is no assurance that Somalife will be able to operate successfully.

Managing Growth - Should Somalife be unable to realize the potential benefits from its growth strategy, it may adversely impact its operating results. Somalife’s ability to realize such potential benefits will be based on its management of growth and will require it to continue to build its operational, financial and management controls, human resource capacity, and reporting systems and procedures. Somalife’s ability to manage its growth will depend in large part upon a number of factors, including the ability of Somalife to:

- maintain a prudent capital structure;
- expand Somalife’s internal operational and financial controls so that it can maintain control over operations and provide support to other functional areas as the number of personnel and size of its business increases;
- implement information technology systems sufficient to enable Somalife to support its growth projections;
- secure sufficient financial resources for unforecasted costs due to its growth;
- attract and retain qualified personnel in order to continue to develop Somalife’s business and provide services that respond to evolving customer needs; and
- develop support capacity for customers as sales increase, so that Somalife can provide customer support without diverting resources from other parts of the business.

Somalife’s inability to achieve any of these objectives could have a material adverse effect on its business.

Net Losses and Negative Cash Flows

Somalife has recorded net losses in prior years. As of November 30, 2015, Somalife had an accumulated deficit of \$2,364,452. While Somalife has indicated that it expects to generate increasing revenues in the future from the sale of Somalife Products, there can be no assurance that Somalife will be able to generate a net profit or, if it does generate a net profit, that it will be able to sustain profitability. If Somalife is unable to generate sufficient operating cash flow or if it becomes necessary to make significant additional investments in its business, it could have a material adverse effect on Somalife.

Future Capital Requirements and Dilution – Somalife may need to raise additional funds through debt or equity financings in order to:

- fund ongoing operations;
- take advantage of opportunities, including more rapid expansion of Somalife's business or the acquisition of complementary businesses or technologies; or
- respond to competitive pressures.

Any additional capital raised through the sale of equity will dilute Somalife's existing shareholders' percentage ownership of shares. Capital raised through debt financing would require Somalife to make periodic interest payments and may impose restrictive covenants on the conduct of Somalife's business. Furthermore, additional financings may not be available on terms favourable to Somalife, or at all. A failure to obtain additional funding could prevent Somalife from making expenditures that may be required to implement Somalife's growth strategy and grow or maintain Somalife's operations.

While Somalife believes that its capacity to access the equity and debt markets will be sufficient to fund its normal operating and capital expenditures, as Somalife grows, this ability to access necessary capital cannot be assured.

Financing Risks – There is no assurance that Somalife will be able to obtain sufficient financing to finance its business of Somalife, or, if available, that Somalife will be able to obtain financing on commercially acceptable terms. Further, there is no assurance that any financing, if obtained, will be renewed when it matures or, if renewed, renewed on the same or commercially reasonable terms and conditions (including the rate of interest). Somalife's business prospects and viability as a going concern may be materially adversely affected if it is unable to obtain sufficient operating funds as and when needed and on commercially reasonable terms.

Currency Risks – Somalife incurs many of its expenses, including the bulk of its manufacturing costs, in US dollars and some of the raw material costs for the Somalife products may also be incurred in US dollars or other foreign currencies. Some of Somalife's revenue is received in Canadian dollars while other revenue may be received in US dollars or other foreign currencies. Somalife is subject to the risks associated with the fluctuations in the exchange rates for these various currencies and does not currently employ any formal hedging strategies or use derivative instruments to mitigate such risks. Consequently, substantial fluctuations in the relevant exchange rates for these various currencies could have a material adverse effect on Somalife.

Patent Risks - Somalife is subject to the following specific patent risks with respect to the patents it has licensed under the Technology License Agreement:

1. Invalidity and Unpatentability – if a patent is determined to be invalid or is determined not to meet a legal requirement for patentability.
2. Unenforceability – if a patent or patent claim is found to be unenforceable. The enforceability of a patent or patent claim is a complex legal determination.

3. Claim Construction – Construction of patent claims, i.e. interpretation of meaning of particular words or phrases in a patent claim, is a complex legal determination that may require resolution of a court.
4. Chain of title – if there are flaws in the chain of title to the licensed patents.
5. Insolvency of Licensor – if the Licensor becomes insolvent or bankrupt.
6. Expiration of Licensed Patents - Patents will expire at the end of the period for which they have been granted, or sooner if the required government fees are not paid as required.
7. Enforcement of Licensed Patents – the Issuer has no right under the Technology License Agreement to enforce the licensed patents and such enforcement will be at the discretion of the licensor.

Competition - Somalife’s direct competition is Vega Foods, an all natural plant based whole foods company that sells into retail channels as well as direct to consumer. Vega Foods is an operating division of WhiteWave Foods Company, an NYSE-listed public company based in Denver, Colorado. Somalife operates within the highly competitive health and wellness and nutritional supplements market. Although many of the Somalife Products are based on proprietary formulations, some of Somalife’s competitors offer products that share certain similarities with the Somalife Products, such as being all-natural and plant-based products. Some competitors have enhanced capabilities and resources, such as financial resources, scale, access to multiple production facilities, broader or more established distribution channels, wider market acceptance and more extensive marketing capabilities. There can be no assurance that Somalife’s marketing and distribution strategy will enable the Somalife Products to successfully compete with other products in the marketplace. Similarly, there can be no assurance that, even if Somalife is successful in developing additional commercially viable nutraceutical products, such new product or products will be accepted by the marketplace as superior to or competitive with existing third party products or products which may be developed and brought to market by third party competitors in the future. In that event, the Somalife Products could face considerable difficulty in obtaining or retaining market share.

Nutraceutical Industry Regulation – Nutraceuticals sit at the boundary between drugs and food and depending on the claims being made the “nutraceutical” may fall within either food or drug regulations applicable in the jurisdictions in which the Somalife Products are made available. Somalife will need to ensure it understands how each country views their products and which regulations apply. Since working with regulations can be complex expert advice may be required to fully understand the impact the regulatory environment will have on any given product.

Product Adoption – The Somalife Products are innovative and their adoption within the nutraceutical industry may be subject to decisions made by third parties, such as NSF International, which administers the NSF “Certified for Sport” certification program, and LGC Group, which administers the “Informed-Sport” certification program, and others who may be reluctant to authorize or endorse the sale or use of such products without adequate testing, certifications and an established track record of use and proven benefits pursuant to third party studies. There can be no assurance that such testing, certifications or established track records will be obtained or, if obtained, will be satisfactory to such third party decision makers.

Product Obsolescence – Somalife operates in a competitive environment. If any of Somalife’s competitors develops innovations or products with superior cost or performance characteristics than the current and/or proposed Somalife Products, or if such products otherwise become obsolete, the business prospects of Somalife could be materially adversely affected.

Product Liability

Somalife faces an inherent risk of product liability exposure with respect to the Somalife Products, which are intended for consumption by humans and other life forms. Product liability claims could be brought against

Somalife and/or its licensees, distributors and/or manufacturers by consumers and others. Such claims could also be brought against Somalife by its licensees and/or distributors. If Somalife is unable to successfully defend itself against such claims or recover against another party, such as a manufacturer or other supplier, it could incur substantial liabilities for which any available insurance coverage may be inadequate. Regardless of the merit or outcome of any product liability claims, such claims could have a material adverse effect on Somalife in one or more of the following ways:

- decreased demand for the Somalife Products,
- damage to Somalife's brands and reputation and significant negative attention in social media and other media,
- significant costs to defend any associated litigation,
- substantial monetary awards to claimants,
- loss of revenue,
- diversion of financial and management resources from Somalife's business operations, and
- the inability to commercialize new products.

Reliance on a Single Manufacturing Facility – Substantially all of the Somalife Products are currently manufactured by health Wright Products, Inc. at a single manufacturing facility located in Clackamas, Oregon. Somalife relies on the manufacturer and its facility to operate consistently and efficiently in order to meet Somalife's production and delivery standards and timelines, including the NSF "Certified for Sport" certification standards. The manufacturing facility is subject to certain operational risks which may arise from time to time including, but not limited to, equipment malfunction, power outages, sterility or sanitary variances or failures, failures to implement appropriate corrective actions, failure to follow specific protocols and procedures, problems with raw materials, environmental factors and damage to or loss of manufacturing capacity and/or operations due to fire, flood or other natural causes, and/or other force majeure events such as labour disruptions, pandemics or acts of terrorism. Such problems could adversely affect production of the Somalife Products, requiring the recall and/or destruction of such products, or could result in production being halted for an indefinite period. Somalife does not currently have access to an alternate manufacturing facility capable of manufacturing the Somalife Products to the NSF "Certified for Sport" certification standard and there can be no assurance that Somalife would be able to arrange for manufacturing to be shifted to another facility on reasonable terms or within a reasonable period of time, if at all. Any material disruption in the manufacturer's operations or the quality or quantity of the Somalife Products could have a material adverse effect on Somalife including, but not limited to, increased costs, lost revenue, damage to customer relations, reimbursement to customers and associated time and expense.

Technical Product Evolution - The nutraceutical industry is characterized by rapid technological and product evolution. Demand for the Somalife Products may change in ways it may not anticipate because of such evolving industry standards as well as a result of evolving customer needs that are increasingly sophisticated and varied and the introduction by others of new technologies or products that provide alternatives to the Somalife Products potentially at more competitive pricing. Without the timely introduction of enhanced, innovative, or new products, the Somalife Products may become obsolete over time, in which case its revenue and operating results would suffer. For example, if Somalife was unable to respond to changes in the nature or extent of the technological or other needs of its customers through enhancing its offerings, its competition may develop products that are more competitive than the Somalife Products. Innovations directed at continuing to offer enhanced or new products will generally involve substantial financial resources before Somalife can determine their commercial viability, and it may not have sufficient financial resources to fund these innovations.

The success of enhanced or new products will depend on several factors, including Somalife's ability to:

- properly anticipate and satisfy customer needs, including increasing demand for lower cost products;
- identify unmet nutraceutical needs and evaluate whether a solution is feasible and within Somalife's capabilities to develop, manufacture and commercialize;

- enhance, innovate, develop and manufacture new products in an economical and timely manner that are acceptable to customers;
- differentiate its products from those of its competitors;
- meet certification requirements of third party certification agencies;
- meet safety requirements and other regulatory requirements of government agencies;
- access distribution channels at acceptable cost and offer innovative products at acceptable pricing;
- obtain and maintain valid and enforceable intellectual property rights; and
- avoid infringing the proprietary rights of third parties.

Even if Somalife succeeds in creating enhanced or new products from these innovations, they may still fail to result in commercially successful products or may not produce revenue in excess of the costs of development, and they may be quickly rendered obsolete by changing customer preferences or the introduction by Somalife's competitors of products embodying new technologies or features.

Computer System Failures - Somalife relies on information systems in its business to obtain, rapidly process, analyze, store and manage data to:

- develop and manage its proprietary affiliate/referral program;
- develop proprietary products;
- protect intellectual property against theft and/or unintended use;
- undertake research;
- communicating with its suppliers, customers and licensees;
- maintain accuracy of the financial transactions including accurate billing of, and collection from, its customers and payment to its vendors; and
- provide support for employee related matters such as payroll, health and safety and all electronic communication needs.

Despite the implementation of security measures, Somalife's internal computer systems, and those of its affiliates and other third parties on which it relies, are vulnerable to damage from computer viruses, unauthorized access, loss of privacy, natural disasters, fire, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in Somalife's operations, it could result in a material disruption of Somalife's business processes. To the extent that any disruption or security breach results in a loss of or damage to Somalife's data or applications, or inappropriate disclosure of confidential or proprietary information, Somalife could incur liability and the further advancement of its current and future products and business interests could be adversely affected.

10. REPORTING OBLIGATIONS

The Issuer is not a "reporting issuer" under applicable securities legislation, nor will it become a reporting issuer following the completion of the Offering. Consequently, other than as noted below, the Issuer is not required to provide continuous disclosure documents or follow the continuous disclosure requirements of applicable securities legislation.

However, pursuant to the *Business Corporations Act* (British Columbia) under which the Issuer is governed, the Issuer is required to annually hold a shareholder meeting and to deliver audited financial statements, unless such audit is waived unanimously by the shareholders.

Should the Issuer need to rely on the Offering Memorandum Exemption for residents in any one of Alberta, New Brunswick, Ontario, Saskatchewan or Québec, it will be required, no later than 120 days after its fiscal year end, to file with the Alberta Securities Commission and deliver to the New Brunswick Securities Commission, Ontario Securities Commission, Saskatchewan Financial Services Commission and Autorité des marchés financiers, its audited annual financial statements along with a notice disclosing the use of the

aggregate gross proceeds from this Offering, in addition to making such audited annual financial statements and notice disclosing the use of the aggregate gross proceeds from this Offering, available to its shareholders in such provinces, including Nova Scotia.

As well, for Subscribers resident in New Brunswick, Nova Scotia and Ontario who rely on the Offering Memorandum Exemption, the Issuer will also be required to provide them with notice, within 10 days of the occurrence of any of the following events:

- (i) a discontinuation of the Issuer's business;
- (ii) a change in the Issuer's industry; or
- (iii) a change of control of the Issuer.

11. RESALE RESTRICTIONS

The Class "B" Shares will be subject to a number of resale restrictions, including a restriction on trading under NI 45-102. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under the applicable securities legislation you cannot trade the Class "B" Shares before four (4) months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada. This rule does not apply in so-called "open systems" jurisdictions, including Manitoba, New Brunswick and the Yukon Territory. Those jurisdictions do not impose restrictions on first trades in securities distributed under an exemption from the prospectus requirement in those jurisdictions unless the trade is a distribution from a control block.

The Issuer is not a reporting issuer or a SEDAR filer in any jurisdiction. There is no assurance that the Issuer will ever become a reporting issuer or a SEDAR filer in any jurisdiction. Therefore, **the Class "B" Shares purchased hereunder may be subject to an indefinite hold period.**

12. PURCHASER'S 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.

12.1 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 2nd business day after you sign the agreement to buy the securities.

12.2 Contractual Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Issuer:

- (a) to cancel your agreement to buy these Class "B" Shares; or
- (b) for damages.

This contractual right to sue is 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 Class "B" Shares and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the Class "B" Shares resulting from the misrepresentation. The Issuer has a defense if it proves that you had knowledge of the misrepresentation when you purchased the Class "B" Shares.

If you intend to rely on the contractual rights of action described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within one hundred eighty (180) days after you signed the agreement to purchase the Class "B" Shares. You must commence your action for damages

within the earlier of one hundred eighty (180) days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the Class “B” Shares.

12.3 Statutory Rights of Action in the Event of a Misrepresentation

For Subscribers Resident in Alberta, British Columbia, Nova Scotia Newfoundland and Labrador

Securities legislation in British Columbia and Alberta provides that every purchase of Class “B” Shares pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, or both, against the Issuer if this Offering Memorandum or any amendment thereto contains a misrepresentation.

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Issuer:

- (a) to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against:
 - (i) Somalife Ventures (VCC) Inc.;
 - (ii) every director of Somalife Ventures (VCC) Inc.; and
 - (iii) every person or company who signs this Offering Memorandum.

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

In an action for damages, the Issuer will not be liable for all or any portion of the damages that they prove do not represent the depreciation in value of the security as a result of the misrepresentations relied on and in no case shall the amount recoverable exceed the price at which the Class “B” Shares were offered.

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 from the day of entering the agreement. The current statutory limitation provides that a subscriber must bring an action for damages within the following time within the earlier of:

- 180 days from the day that you first had knowledge of the facts giving rise to the cause of action; and
- three (3) years from the day of entering the agreement that gave rise to the cause of action.

For Subscribers Resident in Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Issuer:

- (a) to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against the Issuer;

This statutory right to sue is 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 Class “B” Shares and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the Class “B” Shares resulting from the misrepresentation. The Issuer has a defense if it proves that you knew of the misrepresentation when you purchased the Class “B” Shares.

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 Class “B” Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the Class “B” Shares.

For Subscribers Resident in New Brunswick

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made.

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

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 from the day of entering the agreement. You must commence the action for damages within the earlier of:

- one (1) year after learning of the misrepresentation; and
- six (6) years from the date of the Corporation having accepted your Subscription to purchase the Class “B” Shares.

For Subscribers Resident in Northwest Territories, Nunavut, Prince Edward Island and the Yukon

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every director of the Issuer as at the date of this Offering Memorandum, and every person who signed this Offering Memorandum.

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

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 three (3) years of signing the agreement to buy the Class “B” Shares. You must commence the action for damages within three (3) years after learning of the misrepresentation.

For Subscribers in Ontario

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made.

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

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 of signing the agreement to buy the Class “B” Shares. You must commence the action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years from the date of the Issuer having accepted your Subscription to purchase the Class “B” Shares.

For Subscribers in Québec

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to purchase the Class “B” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every officer and director of the Issuer, every person or company who signed this Offering Memorandum, every expert whose opinion containing a misrepresentation was filed respecting this Offering Memorandum, and every person or company that sold securities on behalf of the Corporation or selling security holder under this Offering Memorandum.

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

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 three (3) years of signing the agreement to buy the Class “B” Shares. You must commence the action for damages within three (3) years after learning of the misrepresentation.

For Subscribers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (c) the Issuer to cancel your agreement to purchase the Class “B” Shares; or
- (d) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every promoter and director of the Issuer or the selling security holder at the time this Offering Memorandum was sent or delivered, every person or company whose consent was filed respecting this Offering Memorandum, and every person or company that sold securities on behalf of the Corporation or selling security holder under this Offering Memorandum.

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

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 from the day of entering the agreement. You must commence the action for damages within the earlier of:

- one (1) year after learning of the misrepresentation; and
- six (6) years from the date of the Corporation having accepted your Subscription to purchase the Class “B” Shares.

General

The rights discussed above are in addition to and without derogation from any other rights the subscriber may have at law. The securities laws of the Provinces and Territories of Canada are complex. References should be made to the complete text of such provisions summarized above relating to the statutory rights of action. Investors should consult their own legal advisors with respect to their rights and remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which investors may have at law.

ANY PERSON CONSIDERING AN INVESTMENT IN THE ISSUER SHOULD CONSULT ITS OWN ADVISORS IN ORDER TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE ISSUER WITH RESPECT TO SUCH PERSON’S PARTICULAR SITUATION.

This Offering Memorandum and all Offering Memorandum Marketing Materials are being prepared and delivered in the English language only, which language shall be controlling in all respects, and any versions in any other language shall not be binding on the parties. All communications and notices to be made or given

pursuant to this Offering Memorandum shall be in the English language. It is the express wish of the parties receiving this Offering Memorandum that this Offering Memorandum and any related documents be drawn up and executed in the English language. Il est la volonté expresse des parties recevant cette notice d'offre que cette notice d'offre et tous les documents connexes soient élaborés et exécutés dans la langue anglaise.

13. FINANCIAL STATEMENTS OF ISSUER

SOMALIFE VENTURES (VCC) INC.

**FINANCIAL STATEMENTS FOR THE
PERIOD OF INCORPORATION UNTIL APRIL 11, 2016**

Somalife Ventures (VCC) Inc.
Financial Statements
For the Period Ended April 11, 2016

Somalife Ventures (VCC) Inc.
Financial Statements
For the Period Ended April 11, 2016

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Tel: 250 763 6700
Fax: 250 763 4457
Toll-free: 1 800 928 3307
www.bdo.ca

BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC, V1Y 0B5

Independent Auditor's Report

**To the shareholder of
Somalife Ventures (VCC) Inc.**

We have audited the accompanying financial statements of Somalife Ventures (VCC) Inc., which comprise the statement of financial position as at April 11, 2016, and the statements of comprehensive income (loss) and cash flows for the period then ended, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Somalife Ventures (VCC) Inc. as at April 11, 2016, and the results of its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
June 14, 2016

Somalife Ventures (VCC) Inc.
Statement of Financial Position

April 11

2016

Assets

Current

Cash

\$ 1

Liabilities and Shareholder's Deficiency

Current

Accounts payable and accrued liabilities

\$ 9,850

Shareholder's Deficiency

Share capital (Note 3)

1

Deficit

(9,850)

(9,849)

\$ 1

On behalf of the Board:

Director

Somalife Ventures (VCC) Inc.
Statement of Comprehensive Income (Loss)

For the period ended April 11

2016

Operating expenses

Professional fees

\$ 9,850

Comprehensive loss and deficit, end of the period

\$ (9,850)

Somalife Ventures (VCC) Inc.
Statement of Cash Flows

For the period ended April 11

2016

Cash flows from financing activities

 Issuance of share capital

1

Net increase in cash

1

Cash, beginning of the period

-

Cash, end of the period

\$ 1

Somalife Ventures (VCC) Inc. Notes to Financial Statements

April 11, 2016

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity	<p>Somalife Ventures (VCC) Inc. (the "Company") was incorporated on April 11, 2016 in British Columbia under the BC Business Corporations Act. The Company was formed for the primary purpose of raising capital through third party investors. The corporate headquarters of the Company is located at 1385 Stevens Road, West Kelowna, BC, V1Z 2S9.</p>
Basis of Presentation	<p>The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Account Standards Board ("IASB"). The functional and presentation currency is the Canadian dollar.</p> <p>These statements have been authorized for issue by the Board of Directors on June 14, 2016.</p> <p>The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the company's account policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financials statements are disclosed in Note 2.</p>
Financial Instruments	<p>Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.</p> <p>Financial assets and financial liabilities are measured initially at fair value plus directly attributable transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.</p> <p>Financial assets and financial liabilities are measured subsequently depending on their classification as discussion below:</p> <p><i>Financial assets</i></p> <p>Cash, trade and other receivables and loans are that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.</p> <p>Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.</p>

Somalife Ventures (VCC) Inc. Notes to Financial Statements

April 11, 2016

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within expenses in the Statement of Comprehensive Income (Loss). On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated allowance.

The Company does not have any financial assets classified as Fair Value Through Profit or Loss, Held to Maturity or Available-for-Sale.

Financial Liabilities

The Company's financial liabilities include accounts payable and accrued liabilities and other payables and loans. These are classified as Other Financial Liabilities and are measured at fair value on initial recognition, net of transactions costs and subsequently at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities classified as Fair Value Through Profit or Loss, Held to Maturity or Available-for-Sale.

Share Capital Disclosure

The Company discloses the terms and conditions related to classes of shares that have been issued.

Revenue Recognition

Revenue is recognized as it is earned and collection is reasonably assured.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value of discounted cash flows is required. The Company considers that no circumstances exist that would require such an evaluation.

Somalife Ventures (VCC) Inc. Notes to Financial Statements

April 11, 2016

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Standards, Amendments and Interpretations Not Yet Effective

Certain new standards, amendments and interpretations have been published that are mandatory for the Company's accounting periods that the Company has decided not to early adopt.

New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which have not been applied in these financial statements, that will or may have an effect on the Company's future financial statements are:

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortized costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after January 1, 2017.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's future financial statements.

Somalife Ventures (VCC) Inc. Notes to Financial Statements

April 11, 2016

2. Critical Accounting Estimates and Judgements

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgments

i) Financial Instruments Classification

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the Statement of Financial Position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

i) Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Somalife Ventures (VCC) Inc.
Notes to Financial Statements

April 11, 2016

3. Share Capital

Authorized:

Unlimited voting common shares

Issued and outstanding shares:

100 Voting common shares, without par value

	<u>2016</u>
	<u>\$ 1</u>

4. Financial Instrument Risk Exposure and Management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk arising from its bank accounts and cash being held at one financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

It is management's position that the Company is not exposed to significant market risk arising from financial instruments.

14. FINANCIAL STATEMENTS OF SOMALIFE

SOMALIFE CONSULTING LTD.

**AUDITED FINANCIAL STATEMENTS FOR THE
FISCAL PERIOD ENDING
NOVEMBER 30, 2015**

Somalife Consulting Ltd.
Financial Statements
For the year ended November 30, 2015

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Tel: 250 763 6700
Fax: 250 763 4457
Toll-free: 800 928 3307
www.bdo.ca

BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC V1Y 0B5 Canada

Independent Auditor's Report

To the Shareholders of Somalife Consulting Ltd.

We have audited the accompanying financial statements of Somalife Consulting Ltd., which comprise of the statement of financial position as at November 30, 2015, the statements of comprehensive loss, changes in equity and cash flows for the year ended November 30, 2015 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Qualified Opinion

We were appointed as the auditors of the Company on November 3, 2015 and thus did not observe the counting of the physical inventories at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at November 30, 2014. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the comprehensive loss for the year reported in the statement of comprehensive loss and the net cash flows from operating activities reported in the statement of cash flows.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Somalife Consulting Ltd. as at November 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 of the financial statements in which the Company has incurred a comprehensive loss for the year of \$183,611 and has a working capital deficit of \$1,347,637 for the year ended November 30, 2015. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern.

Comparative Information

Without modifying our opinion, we draw attention to Note 14 which describes that Somalife Consulting Ltd. adopted International Financial Reporting Standards on December 1, 2014 with a transition date of December 1, 2013. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at November 30, 2014 and December 1, 2013, and the statements of comprehensive loss, changes in equity and cash flows for the year ended November 30, 2014 and related disclosures. We were not engaged to report on the comparative information, and as such, we have not audited, and do not express an opinion on the comparative information.

Other Matter

The financial statements of Somalife Consulting Ltd. for the years ended November 30, 2014 and 2013 were prepared by another public accountant who issued a notice to reader report on those financial statements.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
March 31, 2016

Somalife Consulting Ltd.
Statement of Financial Position

	November 30, 2015	(Unaudited) November 30, 2014	(Unaudited) December 1, 2013
Assets			
Current			
Cash	\$ 19,658	\$ 13,757	\$ 49,757
Accounts receivable	35,125	35,844	31,179
Inventory (Note 3)	52,685	31,940	109,818
Prepaid expenses	1,529	261	17,562
	<u>108,997</u>	<u>81,802</u>	<u>208,316</u>
Property and equipment (Note 4)	6,904	14,359	12,509
Intangible assets (Note 5)	<u>7,406</u>	<u>-</u>	<u>-</u>
	<u>\$ 123,307</u>	<u>\$ 96,161</u>	<u>\$ 220,825</u>

Liabilities and Shareholders' Deficiency

Current

Accounts payable and accrued liabilities	\$ 206,041	\$ 173,421	\$ 297,444
Deferred revenue	-	19,259	-
Due to related parties (Note 6)	901,827	673,803	660,605
Due to investors (Note 7)	348,766	379,394	351,263
	<u>1,456,634</u>	<u>1,245,877</u>	<u>1,309,312</u>

Shareholders' Deficiency

Share capital (Note 8)	1,031,125	1,031,125	1,031,125
Deficit	<u>(2,364,452)</u>	<u>(2,180,841)</u>	<u>(2,119,612)</u>
	<u>(1,333,327)</u>	<u>(1,149,716)</u>	<u>(1,088,487)</u>
	<u>\$ 123,307</u>	<u>\$ 96,161</u>	<u>\$ 220,825</u>

Approved on behalf of the Board of Directors:

Director

Director

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

Somalife Consulting Ltd.
Statement of Changes in Equity

	Share Capital	Deficit	Shareholders' Deficiency
Balance at December 1, 2013 (Unaudited)	\$ 1,031,125	\$ (2,119,612)	\$ (1,088,487)
Comprehensive loss for the year	-	(61,229)	(61,229)
Balance at November 30, 2014 (Unaudited)	1,031,125	(2,180,841)	(1,149,716)
Comprehensive loss for the year	-	(183,611)	(183,611)
Balance at November 30, 2015	\$ 1,031,125	\$ (2,364,452)	\$ (1,333,327)

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

Somalife Consulting Ltd.
Statement of Comprehensive Loss

For the year ended November 30	2015	(Unaudited) 2014
Revenue	\$ 691,827	\$ 782,319
Cost of sales	417,446	327,696
Gross profit	274,381	454,623
Expenses		
Advertising and promotion	39,783	26,143
Amortization	9,923	6,489
Consulting fees	67,522	78,327
Insurance	3,730	5,085
Interest and bank charges	46,177	53,656
Interest on long term debt	30,913	35,244
Licences, dues and fees	6,445	7,967
Meals and entertainment	2,553	1,127
Office	11,067	5,150
Professional fees	68,817	34,787
Rent	14,400	16,000
Repairs and maintenance	1,310	1,465
Telecommunication	10,198	7,347
Travel and accommodation	2,148	8,191
Utilities	8,150	5,957
Vehicle	5,873	130
Wages and benefits	210,817	220,491
	539,826	513,556
Comprehensive loss before other items	(265,445)	(58,933)
Other items		
Foreign exchange gain (loss)	18,230	(2,296)
Gain on forgiveness of debt (Note 6)	63,604	-
Comprehensive loss for the year	(183,611)	(61,229)
Deficit, beginning of year	(2,180,841)	(2,119,612)
Deficit, end of year	\$ (2,364,452)	\$ (2,180,841)

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

Somalife Consulting Ltd.
Statement of Cash Flows

For the year ended November 30	2015	(Unaudited) 2014
Cash flows from operating activities		
Cash receipts from customers	\$ 673,287	\$ 796,613
Interest paid	(77,090)	(88,900)
Cash paid to suppliers and employees	(477,906)	(735,374)
	<u>118,291</u>	<u>(27,661)</u>
Cash flows from investing activities		
Purchase of equipment and intangible assets	(9,874)	(8,339)
Cash flows from financing activities		
Loans and advances from investors	(75,976)	-
Loans and advances from related parties	(26,540)	-
	<u>(102,516)</u>	<u>-</u>
Net change in cash	5,901	(36,000)
Cash, beginning of year	<u>13,757</u>	<u>49,757</u>
Cash, end of year	<u>\$ 19,658</u>	<u>\$ 13,757</u>

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

Somalife Consulting Ltd. **Notes to Financial Statements**

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity

On November 30, 2010, Aionix Investments Ltd. and Somalife Holdings Ltd. were amalgamated into Somalife Consulting Ltd. (the "Company"). As of June 30, 2010, the assets, liabilities and deficit of Somalife International, Inc., a wholly owned subsidiary, were transferred into Somalife Consulting Ltd. The Company's principal activity is the sale of patented nutraceutical products. The corporate headquarters of the Company is located at 1385 Stevens Road, West Kelowna, BC, V1Z 2S9.

Basis of Presentation and Adoption of International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first annual financial statements presented in accordance with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 14.

The financial statements were authorized for issue by the Board of Directors on March 31, 2016.

Significant Accounting Policies

Functional and presentation currency

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

Revenue recognition

Revenue from sales is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, the sales price is fixed and determinable, persuasive evidence of an arrangement exists and collectibility is reasonably assured.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Inventory

Inventories are measured at the lower of cost and net realizable value and consists of entirely of finished goods. Cost is determined using the first in, first out method.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are measured initially at fair value plus directly attributable transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently depending on their classification as discussion below:

Financial assets

Cash, trade and other receivables and loans are that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within expenses in the Statement of Comprehensive Income (Loss). On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated allowance.

The Company does not have any financial assets classified as Fair Value Through Profit or Loss, Held to Maturity or Available-for-Sale.

Financial Liabilities

The Company's financial liabilities include accounts payable and accrued liabilities and other payables and loans. These are classified as Other Financial Liabilities and are measured at fair value on initial recognition, net of transactions costs and subsequently at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities classified as Fair Value Through Profit or Loss, Held to Maturity or Available-for-Sale.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those carried at fair value through profit or loss, are assessed for indicators of impairment at each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Cash and cash equivalents

Cash and cash equivalents consist of cash with financial institutions.

Property and equipment

Property and equipment is initially measured at cost, being the purchase price and directly attributable cost of acquisition required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs.

Property and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Amortization is based on the estimated useful life of the asset and is provided using the following rates:

	Method	Rate
Computer hardware	Declining balance	20%-30%
Office equipment	Declining balance	20%-30%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Intangible assets

Intangible assets consist of patents, computer software and website costs which were recorded at cost and are reviewed for indicators of impairment as necessary. Amortization is based on the estimated useful life of the asset and is provided using the following rates:

	Method	Rate
Patents	Straight-line	4-17 years
Website	Straight-line	10 years
Computer software	Declining balance	20%-30%

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Income taxes

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that 1) is not a business combination; and 2) affects neither accounting profit or taxable profit. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, if they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Foreign currency translation

The Company's financial statements are presented in Canadian dollars, which is also the Company's functional currency. Monetary assets and liabilities are translated at the exchange rate at the balance sheet date. Foreign currency revenue and expenses are translated into Canadian dollars at the exchange rate at the time of the transactions. Translation gains and losses are included in profit and loss.

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Use of estimates and judgments

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgments

i) Financial Instruments Classification

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the Statement of Financial Position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

i) Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

ii) Inventories

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management takes into account the most reliable evidence available at the time the estimates are made. The Company's business may be subject to technology changes which may cause selling prices to change rapidly. Moreover, future realization of the carrying amounts of inventory assets is affected by price changes in different market segments. Details of the inventory balances are provided in Note 3.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

iii) Useful lives of intangible and tangible assets

Management reviews the useful lives of tangible and intangible assets at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the tangible and intangible assets are provided in Notes 4 and 5.

iv) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax and audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Standards, amendments and interpretations not yet effective

Certain new standards, amendments and interpretations have been published that are mandatory for the Company's accounting periods beginning on or after December 1, 2015 or later periods that the Company has decided not to early adopt.

i) New standards, interpretations and amendments effective from December 1, 2015

The following standard has been applied in these financial statements:

IAS 32 Financial Instruments: Presentation was amended to clarify the meaning of "currently has a legally enforceable right to set-off." The amendments also clarify the application of IAS 32 offsetting criteria to settlement systems such as central clearing house systems which apply gross settlement mechanisms that are not simultaneous. This new standard did not have an impact on the Company's financial reporting.

ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which have not been applied in these financial statements, that will or may have an effect on the Company's future financial statements are:

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortized costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Standards, amendments and interpretations not yet effective (continued)

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after January 1, 2017.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's future financial statements.

2. Going Concern

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred a loss for the year of \$183,611 and has a working capital deficit of \$1,347,637 for the year ended November 30, 2015. These factors indicate the existence of material uncertainties related to events or conditions that may cast significant doubt as to whether the Company can continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuing operations of the Company are dependent upon its ability to continue to receive other outside financing and its ability to enter into profitable business transactions. The financial statements do not include any adjustments to reflect the possible reduced recoverability, or altered classifications, of assets or classifications of liabilities that might be necessary should the Company be unable to continue some, or all, of its operations, and these adjustments and reclassifications may be material.

3. Inventory

	2015	(Unaudited) 2014	(Unaudited) 2013
Inventory	\$ 52,685	\$ 31,940	\$ 109,818

Inventory of \$293,732 (2014 - \$201,250) are recognized as an expense and included in cost of sales.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

4. Property and Equipment

	Office Equipment	Computer Hardware	Total
Cost, December 1, 2014	\$ 11,574	\$ 16,625	\$ 28,199
Cost, end of year, November 30, 2015	\$ 11,574	\$ 16,625	\$ 28,199
Accumulated amortization, beginning of year, December 1, 2014	\$ 7,990	\$ 5,850	\$ 13,840
Amortization	2,500	4,955	7,455
Accumulated amortization, end of year, November 30, 2015	\$ 10,490	\$ 10,805	\$ 21,295
Net carrying amount, end of year, November 30, 2015	\$ 1,084	\$ 5,820	\$ 6,904

(Unaudited)

	Office Equipment	Computer Hardware	Total
Cost, December 1, 2013	\$ 9,574	\$ 10,286	\$ 19,860
Additions	2,000	6,339	8,339
Cost, end of year, November 30, 2014	\$ 11,574	\$ 16,625	\$ 28,199
Accumulated amortization, beginning of year, December 1, 2013	\$ 5,154	\$ 2,197	\$ 7,351
Amortization	2,836	3,653	6,489
Accumulated amortization, end of year, November 30, 2014	\$ 7,990	\$ 5,850	\$ 13,840
Net carrying amount, end of year, November 30, 2014	\$ 3,584	\$ 10,775	\$ 14,359

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

5. Intangible Assets

	Patents	Website	Computer Software	Total
Cost, December 1, 2014	\$ -	\$ 83,331	\$ 1,634	\$ 84,965
Additions	9,874	-	-	9,874
Cost, end of year, November 30, 2015	\$ 9,874	\$ 83,331	\$ 1,634	\$ 94,839
Accumulated amortization, beginning of year, December 1, 2014	\$ -	\$ 83,331	\$ 1,634	\$ 84,965
Amortization	2,468	-	-	2,468
Accumulated amortization, end of year, November 30, 2015	2,468	83,331	1,634	87,433
Net carrying amount, end of year, November 30, 2015	\$ 7,406	\$ -	\$ -	\$ 7,406

(Unaudited)

	Patents	Website	Computer Software	Total
Cost, December 1, 2013	\$ -	\$ 83,331	\$ 1,634	\$ 84,965
Cost, end of year, November 30, 2014	\$ -	\$ 83,331	\$ 1,634	\$ 84,965
Accumulated amortization, beginning of year, December 1, 2013	\$ -	\$ 83,331	\$ 1,634	\$ 84,965
Accumulated amortization, end of year, November 30, 2014	-	83,331	1,634	84,965
Net carrying amount, end of year, November 30, 2014	\$ -	\$ -	\$ -	\$ -

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

6. Due to Related Parties

The following is a summary of the Company's related party balances and transactions during the year:

Loan due to parent company

At November 30, 2015, the Company had an unsecured loan due to the parent company in the amount of \$270,389. The loan is non-interest bearing, unsecured and has no set terms of repayment.

Loan due to related party

At November 30, 2015, the Company had a secured, demand loan of \$631,438 due to a company director. The loan bears interest at prime minus 1.5% per annum if the loan is in arrears and has repayment terms of \$5,000 per month.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. During the year, compensation paid to key management personnel totaled \$160,410.

Forgiveness of debt

During the year, amounts owing to related parties and investors totaling \$63,604 was forgiven.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

7. Due to Investors

The following is a summary of the Company's loans due to investors:

At November 30, 2015, the Company had a total of \$262,234 in unsecured, demand and non-interest bearing loans due to investors.

At November 30, 2015, the Company had an unsecured, demand loan of \$86,532 due to an investor. The loan bears interest at 10% per annum and has repayment terms of \$1,000 per month.

8. Share Capital

The Company is authorized to issue:

Unlimited number of Class A common voting shares

Issued and outstanding shares:

	2015	(Unaudited) 2014	(Unaudited) 2013
26,037,916 Class A Common Shares	<u>\$ 1,031,125</u>	<u>\$ 1,031,125</u>	<u>\$ 1,031,125</u>

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

9. Income Taxes

The difference between the Company's income tax expense on operating income and the expense that would otherwise result from the application of statutory rates are as follows:

	2015	(Unaudited) 2014
Comprehensive loss before income taxes	\$ (183,611)	\$ (61,229)
Combined basic federal and provincial tax rates	26.00 %	26.00 %
Income taxes at statutory rate	(47,739)	(15,920)
Increase (decrease) in tax resulting from:		
Non-taxable income or non-deductible expenses	8,083	820
Capital cost allowance in excess of amortization	(7,735)	(1,563)
Non-capital loss not utilized	55,403	13,024
Other	(8,012)	3,639
Income tax expense	\$ -	\$ -

Deferred Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Tax Losses

As at November 30, 2015, the Company has estimated non-capital losses for income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below and these non-capital losses will expire as follows:

Year of Expiry	Taxable Losses
2029	\$ 24,920
2030	64,400
2031	415,689
2032	21,591
2033	50,093
2034	213,088
Total	\$ 789,781

November 30, 2015

10. Fair Value of Financial Instruments

Fair value of assets and liabilities using the fair value hierarchy

Financial instruments which are recorded at fair value on the statement of financial position are classified into one of three hierarchy levels. Each level is based upon the significance of the inputs used to measure the fair value. The following provides an analysis of financial assets and liabilities that are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level of input that is significant to the fair value measurement. The level 1 includes the Company's cash of \$19,658, accounts receivable of \$35,125, and accounts payable and accrued liabilities of \$206,041.

The Company has no financial assets and financial liabilities that are classified in levels 2 or 3.

11. Financial Instrument Risk Exposure and Management

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies, to management. The Board of Directors regularly receives reports from management, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and interest rate risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. Management assesses the credit risk of new customers before entering contracts.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

11. Financial Instrument Risk Exposure and Management (continued)

Credit risk (continued)

Management determines concentration of credit risk through review of the trade receivables aging analysis and monitoring the creditworthiness of existing customers. The Company has financial risk management policies in place to ensure that receivables are received within the pre-agreed credit terms.

The Company's maximum exposure to credit risk is limited to the carrying amount of the accounts receivable. All amounts included are short term and the net carrying value of trade receivables is considered a reasonable approximation of fair value. All accounts receivable are current with no amounts outstanding more than 30 days. No accounts receivable have been allowed for.

There have been no changes from the previous year of policies, procedures and methods to measure this risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its cash holdings.

The principal obligations related to financial liabilities significant in the management of liquidity risk are cash of \$19,658 and accounts payable and accrued liabilities of \$206,041, which are all due within one year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its amounts owing to related parties and investors. The risk that the Company will realize a loss as a result of a decline in the fair value of the amounts owing to related parties and investors is limited because the Company's debt has fixed interest rates with repayment terms in excess of one year. As a result, the Company's equity and comprehensive income would be unaffected by short-term changes in interest rates. The Company has no assets or liabilities that are subject to floating rates of interest.

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

12. Capital Management

The Company's objectives when managing its capital are to maintain a financial position suitable for supporting the Company's operations and growth strategies to provide an adequate return to the shareholders.

The Company's capital structure consists of net debt, shareholders' equity and cash availability. The Company makes adjustments to the capital structure depending on economic conditions and the financial position and performance of the Company. In order to maintain or adjust the capital structure, the Company looks forward to future needs and recommends changes to the nature of its investments.

The Company does not have any externally imposed capital requirements, and has not made any changes with respect to its overall capital management strategy during the year ended November 30, 2015.

13. Segmented Information

The Company sells its products in two geographical regions, Canada and the United States. During the year, the sales to these respective countries were \$235,221 and \$456,606.

14. First-Time Adoption of International Financial Reporting Standards

The Company's financial statements for the year ended November 30, 2015 are the first annual financial statements that are prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was December 1, 2013 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is November 30, 2015. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

Optional and Mandatory Exemptions

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Somalife Consulting Ltd.
Notes to Financial Statements

November 30, 2015

14. First-Time Adoption of International Financial Reporting Standards (continued)

Business Combinations

The Company has elected an IFRS 1 exemption which allows for an implementation of the IFRS business combination rules on a prospective basis. Therefore, business combinations entered into prior to December 1, 2013 have not been retrospectively restated.

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39, Financial Instruments: Recognition and Measurement, prospectively from the date of transition to IFRS. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the date of transition to IFRS in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39 derecognition requirements.

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

Share-based Payment

The Company has elected an IFRS 1 exemption for share-based payment transactions. This exemption allows for the Company not to apply IFRS 2, Share-Based Payment, to any equity instruments that vested before the date of transition.

Reconciliations of Pre-Changeover Canadian GAAP Equity and Comprehensive Income to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. There were two transition adjustments required to reconcile the pre-changeover Canadian GAAP equity and comprehensive income to IFRS.

On the Statement of Financial Position, \$25,000 was included in error in prior years as part of short term liabilities instead of share capital. This was reclassified in the current and prior periods in the Statement of Financial Position.

An assessment of the property, equipment and intangible assets led to a write down in the value of certain assets in the amount of \$23,102. This resulted in a reduction of assets and a change in opening equity as at December 1, 2013.

Other than these two adjustments, there were no other financial statement adjustments noted upon transition to IFRS, therefore, no reconciliations have been prepared.

15. **DATE AND CERTIFICATE**

Dated June 27, 2016.

This Offering Memorandum does not contain a misrepresentation.

CERTIFICATE OF THE CORPORATION

"Glen Vause"

Glen Vause
Acting Chief Executive Officer

"Glen Vause"

Glen Vause,
Acting Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Glen Vause"

Glen Vause, Director

ON BEHALF OF THE PROMOTER

SOMALIFE CONSULTING LTD.

"Weston Frontin"

Weston Frontin, Director

SCHEDULE "A"
SOMALIFE VENTURES (VCC) INC.
SUBSCRIPTION AGREEMENT
INSTRUCTIONS

Instructions for Completion of Subscription Agreement

1. In section 1.1 write in the number of shares as words being subscribed for, then insert the number as numerals in the brackets and circle the price per Share that you are purchasing the Shares at.
2. In section 1.2 insert the investment amount in Canadian Dollars.
3. In section 2.1 (c) insert the province or territory of residence or incorporation, as applicable.
4. In section 3 check the applicable responses and complete the information as necessary.
5. In section 4 initial the applicable exemptions, as applicable and note the exhibits required to be completed, depending on your residency.
6. On page 13 complete the information with respect to the registration particulars of your share certificate, your contact information and sign above the appropriate signature line.
7. If you are subscribing through a broker or trustee of a RRSP/RRIF/RESP, have your broker or trustee complete the registration and delivery instruction boxes on page 14. Otherwise leave page 14 blank. The Issuer will complete the Acceptance section at closing.
8. Complete the applicable Exhibits as noted under Section 4.

SOMALIFE VENTURES (VCC) INC.

(THE "ISSUER")

SUBSCRIPTION AGREEMENT (Offering Memorandum)

TO: The Board of Directors of the Issuer
301 – 1665 Ellis Street
Kelowna, British Columbia
V1Y 2B3

1. SUBSCRIPTION

1.1 The undersigned (the "Subscriber") hereby irrevocably offers to subscribe for _____ (_____) Class "B" Voting Common Shares without par value (the "Shares") at a price of either [circle one] \$0.50 per Share or \$1.00 per Share, subject to the terms and conditions of this subscription agreement (the "Agreement").

1.2 The Subscriber herewith tenders cash, a certified cheque, a solicitor's trust cheque or a bank draft in the amount of \$_____ made payable to the Issuer's solicitors, **Pushor Mitchell, LLP "In Trust"** (the "Subscription Funds") as full payment of the subscription price for the Shares. The Subscription Funds will be held in trust by Pushor Mitchell LLP until the two day cancellation right has expired. Thereafter, the Subscription Funds shall be released to the Issuer to fund the objectives noted in the Offering Memorandum.

1.3 The Subscriber acknowledges and agrees that the decision to accept or reject this subscription offer may be made by the Board of Directors of the Issuer at such time, under such circumstances and for such reasons as the Board of Directors may determine in its sole discretion. The Subscriber acknowledges and agrees that this subscription may be accepted or rejected by the Issuer at any time after midnight on the 2nd day after the date of the Agreement. If the subscription is rejected in whole or in part, the balance of the Subscription Funds not accepted by the Issuer shall be returned to the Subscriber without interest, penalty or deduction.

1.4 The Subscriber acknowledges that the Issuer may pay a finder's fee, commission or other consideration of up to 10% to a third party (including a director, officer, founder or control person of the Issuer or of an affiliate of the Issuer) in respect of this Subscription.

1.5 The Subscriber acknowledges and agrees that the decision to accept or reject this subscription offer may be made by the Board of Directors of the Issuer at such time, under such circumstances and for such reasons as the Board of Directors may determine in its sole discretion.

2. REPRESENTATIONS AND WARRANTIES

2.1 The Subscriber represents, warrants and acknowledges that:

- (a) the Subscriber has been provided with and has read and understood the Offering Memorandum of the Issuer in connection with the purchase and sale of the Shares, prior

to subscribing, and has based the decision to invest in the Shares solely on the disclosure contained therein;

- (b) no prospectus has been filed by the Issuer with any Canadian Securities Commission (collectively the “Commissions”) or any other securities regulatory authority in connection with the offering and the issuance of the Shares, the issuance is exempted from the prospectus and registration requirements of applicable Canadian Securities Laws and Regulations (the “Canadian Securities Legislation”) and that:
 - (i) the Subscriber is restricted from using most of the civil remedies available under the Canadian Securities Legislation;
 - (ii) the Subscriber may not receive information that would otherwise be required to be provided to the Subscriber under the Canadian Securities Legislation;
 - (iii) the Issuer is relieved from certain obligations that would otherwise apply under the Canadian Securities Legislation; and
 - (iv) neither the Commissions nor any similar authority has approved or otherwise passed upon the merits of the Offering Memorandum;
- (c) the Subscriber is either (complete as applicable) (i) a resident of _____ (province) or (ii) a private corporation incorporated in the jurisdiction of _____ and resident of _____ (province) and the Subscriber is a resident of Canada for the purposes of the Income Tax Act (Canada);
- (d) the Subscriber is purchasing the Shares as principal, for investment purposes only and not with a view to resale or distribution, and no other person, corporation, firm or other organization will have a beneficial interest in the Shares; or if not purchasing the Shares as principal, is purchasing the Shares as an agent or trustee for accounts that are fully managed by it, is authorized to enter into this Agreement and to execute all documentation relating to the purchase of the Shares on behalf of each beneficial purchaser, and is:
 - (i) a trust company or insurance company that has been authorized to carry on business under the laws of a province or territory or Canada;
 - (ii) a portfolio manager registered or exempted from registration under the laws of a province or territory or Canada; or
 - (iii) a portfolio manager that carries on business in a jurisdiction other than Canada and purchases the Shares as an agent for accounts that are fully managed by it;
- (e) the Subscriber’s offer to subscribe for the Shares pursuant to this Agreement is unconditional and may not be transferred or assigned without the prior express written consent of the Board of Directors of the Issuer and shall become irrevocable after midnight on the 2nd day after the date of this Agreement;

- (f) the Subscriber's decision to subscribe for the Shares has not been induced by any representations or warranties by the Issuer with respect to the present or future value of the Issuer's shares or the Issuer's prospects of becoming a reporting issuer or having its shares listed for trading on any stock exchange at any time in the future and the Subscriber acknowledges that the Issuer is under no obligation to qualify the Shares for resale under a prospectus or otherwise or to assist the Subscriber to do so;
- (g) the Subscriber is aware and has been advised that:
 - (i) the Subscription Funds represent seed or risk capital for the Issuer,
 - (ii) that the Issuer is in an early development stage of its existence,
 - (iii) there is no market for the securities of the Issuer and the Subscriber may never be able to sell the Shares,
 - (iv) that the Issuer has no substantial assets, and
 - (v) the Issuer is not in the business of trading securities and accordingly, is not registered as a dealer with the Commissions;
- (h) the Subscriber is able to bear the economic risks of an investment in the Shares including, but not limited to, the risk of loss of part or all of the Subscription Funds, and the inability to sell, convert, exchange or transfer the Shares for an indefinite period of time or at a price which would enable the Subscriber to realize its investment in the Shares;
- (i) all as detailed in the Offering Memorandum, the Subscriber and/or its advisors has been given an opportunity to review all material information about the Issuer and its business affairs relevant to the Subscriber's decision to invest in the Issuer and the Subscriber has been advised and given the opportunity to seek independent legal advice with respect to the nature and legal effect of the terms of this Agreement;
- (j) the Subscriber is aware that (i) the Shares hereunder may be subject to a hold period and other restrictions on resale pursuant to the provisions of the applicable securities legislation, (ii) the Issuer has made no representations with respect to such hold periods or resale restrictions and (iii) the Subscriber has been advised to seek independent legal advice with respect to any such hold periods or resale restrictions;
- (k) the Issuer is not a reporting company or a "reporting issuer" as defined in the Canadian Securities Legislation and the Shares issuable upon acceptance of this subscription offer by the Issuer will be issued as an exempt distribution, based upon the representations set out in this Agreement, and no filings, clearances or reviews under any applicable securities legislation have been or will be made in connection with the distribution;
- (l) the Subscriber will not resell, assign or otherwise dispose of the Shares other than in accordance with all applicable Canadian Securities Legislation and the requirements of any exchange or over-the-counter market upon which any securities of the Issuer are then listed;

- (m) the Subscriber is aware of the characteristics of the Shares and is aware of and has considered the risks inherent in its investment in the Issuer is familiar with the business objective of the Issuer and has been informed as to the proposed use of proceeds of the offering;
- (n) the Subscriber has sought and obtained such competent independent professional advice regarding the purchase and resale of the Shares under the applicable securities laws as it deems necessary;
- (o) the Subscriber has not sought or received any advice in respect of this Subscription from the Issuer or any person purporting to be a director, officer, employee or agent of the Issuer or of any affiliate of the Issuer;
- (p) the Subscriber is a person, corporation or other entity who, by virtue of their own net worth and investment experience or by virtue of consultation with or advice from a person or company who is not a promoter of the Issuer and who is registered to provide financial advice, is able to evaluate the prospective investment in the Shares on the basis of information respecting the investment provided for in the Offering Memorandum;
- (q) if the Subscriber is an individual, it has the legal capacity to execute this Agreement and to grant the power of attorney contained herein;
- (r) if the Subscriber is a corporation, it is duly incorporated and validly subsisting and it has the legal capacity to execute this Agreement and to grant the power of attorney contained herein and has taken all necessary steps and effected all necessary corporate actions and approvals to execute this Agreement and to grant the power of attorney contained herein; and
- (s) the Subscriber acknowledges that one or more finders may receive a commission or other fees from the Issuer in connection with this Offering;
- (t) the execution of this Agreement by the Subscriber and the transactions contemplated hereby will not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Subscriber, if a corporation, or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (u) this Agreement has been duly executed and delivered by the Subscriber and constitutes a valid obligation for the Subscriber legally binding upon the Subscriber and enforceable against the Subscriber in accordance with its terms;
- (v) the Subscriber, by executing this Agreement, agrees to be bound as a shareholder of the Issuer by the terms of the Offering Memorandum and the Issuer's articles, as they may from time to time be amended;
- (w) if required by Canadian Securities Legislation, the Subscriber will execute and file, or assist the Issuer in filing, and hereby agrees that the Issuer may file, such reports, undertakings and other documents with respect to the transactions provided for in this

Agreement as may be required by any securities commission or other regulatory authority within the applicable time periods;

- (x) the covenants, representations and warranties contained herein shall survive the completion of the transaction provided for herein and shall continue in full force and effect;
- (y) the Subscriber agrees to be bound by the terms and conditions contained in the Offering Memorandum, as may be amended from time to time, and will comply with all other applicable securities laws, orders or policies concerning the purchasing, holding and resale of the Shares;
- (z) the certificates representing the Shares may contain a legend indicating that the Shares are subject to hold periods pursuant to the Legislation and may only be traded after the expiry of such hold periods and only in accordance with the applicable provisions of the Legislation; and
- (aa) the Subscriber acknowledges that the foregoing representations, warranties and covenants are made by the Subscriber with the intent that they may be relied upon by the Issuer, Pushor Mitchell LLP and any other representatives of the Issuer in determining the Subscriber's suitability as a purchaser of Shares. The Subscriber agrees that the above representations, warranties and covenants in this subsection will be true and correct both as of the execution of this Agreement and as of the day of Closing, and the Subscriber hereby agrees to indemnify the Issuer, Pushor Mitchell LLP and any other representatives of the Issuer against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur as a result of reliance thereon. The Subscriber undertakes to notify the Issuer and its representatives immediately of any change in representation, warranty or other information relating to the Subscriber set forth herein which takes place prior to the Closing. The Subscriber acknowledges that Pushor Mitchell LLP has acted solely on behalf of the Issuer and has no solicitor-client relationship with the Subscriber in respect of this Agreement.

THE SUBSCRIBER IS RESPONSIBLE FOR OBTAINING HIS, HER OR ITS OWN FINANCIAL, LEGAL AND TAX ADVICE.

2.2 The Issuer hereby represents, warrants, covenants and declares that:

- (a) it is a valid and subsisting corporation duly amalgamated and in good standing under the laws of British Columbia;
- (b) it is duly registered and licensed to carry on business in the jurisdiction in which it carries on business or owns property;
- (c) the Offering Memorandum is accurate in all material respects and does not omit any fact, the omission of which would make such representation misleading;
- (d) the Issuer has complied and will comply fully with the requirements of all applicable corporate and securities laws, including without limitation, the Canadian Securities

Legislation and the *British Columbia Business Corporations Act* in all matters related to this subscription;

- (e) the issue and sale of the Shares by the Issuer does not and will not conflict with, and does not and will not result in a breach of, any of the terms of the notice of articles and articles of the Issuer or any agreement or instrument to which the Issuer is a party;
- (f) the Issuer is not a party to any actions, suits or proceedings that could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;
- (g) this Agreement has been authorized by all necessary corporate action on the part of the Issuer;
- (h) this subscription and all monies tendered herewith, without interest or deduction thereon, shall be returned to the undersigned at the address below if this subscription is not accepted;
- (i) upon acceptance of this subscription, the Issuer will instruct the Trustee to insert the subscriber's name into the Register of Bondholders, evidencing the undersigned's ownership of Shares of the Issuer;
- (j) upon becoming a shareholder, the Issuer will issue to the Subscriber a certified copy of the certificate evidencing the Subscriber's ownership of the Shares issued by the Issuer; and
- (k) the warranties and representations in this action are true and will remain so as of the Issuer's acceptance of this subscription.

3. BRITISH COLUMBIA SECURITIES LEGISLATION REQUIREMENTS

3.1 Pursuant to applicable British Columbia Securities Legislation, under which the Issuer is governed, the following information is required from all of the Issuer's Subscribers:

- (a) Are you an Insider of the Issuer (a director, officer or holder of shares equal to 10% or more of the Issuer's issued and outstanding share capital) - check one:

YES _____ **NO** _____

- (b) Are you a registrant (a person who is registered or required to be registered under NI 31-103 Registration Requirements and Exemptions) - check one:

YES _____ **NO** _____

- (c) If you are a non-individual subscriber, please provide the name and telephone number of your contact person: _____

4. PROSPECTUS EXEMPTIONS AND REQUIRED DOCUMENTATION

- 4.1 For British Columbia and Newfoundland and Labrador residents, the Issuer is taking the position you are relying on the Offering Memorandum Exemption as provided under subsection 2.9 of National Instrument 45-106 - Prospectus Exemptions ("NI 45-106") and accordingly, you are asked to please complete the following:

- (a) this Agreement;
- (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as Exhibit I;
- (c) if a finder is involved in your subscription, the Risk Acknowledgement Form, in duplicate, attached as Exhibit II;
- (d) the Notification of Personal Information attached as Exhibit III; and
- (e) FOR BC RESIDENTS ONLY who are seeking the tax credit as described under section 6.5 of the Issuer's Offering Memorandum, the share purchase report attached as Exhibit V - DO NOT DATE THE CERTIFICATION SECTION.

- 4.2 For Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon residents, please initial the applicable NI 45-106 exemptions that you are relying on:

Initial

- (i) the accredited investor exemption, as defined in NI 45-106

Initial

- (ii) the \$150,000 minimum amount exemption, as defined in NI 45-106 - NOTE THIS IS ONLY AVAILABLE TO NON-INDIVIDUALS WHO WERE NOT CREATED AND ARE NOT BEING USED SOLELY TO PURCHASE OR HOLD SECURITIES IN RELIANCE ON THIS EXEMPTION

Initial

- (iii) the Offering Memorandum exemption, as defined in NI 45-106

4.3 For Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon residents, please complete the following:

- (a) this Agreement;
- (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as Exhibit I;
- (c) if a finder is involved in your subscription, the Risk Acknowledgement Form, in duplicate, attached as Exhibit II;
- (d) the Notification of Personal Information attached as Exhibit III;
- (e) if relying on the Offering Memorandum exemption and if your investment is over \$10,000, the Representation Letter attached as Exhibit IV confirming your qualification as an eligible investor; and
- (f) if relying on the accredited investor, the Accredited Investor Certificate attached as Exhibit VI and, if applicable depending on the accredited investor categories chosen, the Form 45-106F9 Risk Acknowledgement attached as Exhibit VII

4.4 For Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan residents, please initial the applicable NI 45-106 exemptions that you are relying on:

Initial

- (i) the accredited investor exemption, as defined in NI 45-106

Initial

- (ii) the \$150,000 minimum amount exemption, as defined in NI 45-106 -
NOTE THIS IS ONLY AVAILABLE TO NON-INDIVIDUALS WHO
WERE NOT CREATED AND ARE NOT BEING USED SOLELY TO
PURCHASE OR HOLD SECURITIES IN RELIANCE ON THIS
EXEMPTION

Initial

- (iii) the Offering Memorandum exemption, as defined in NI 45-106

4.5 For Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan residents, who are relying on the Offering Memorandum exemption please initial and complete the following information:

Initial

- (i) I am not an eligible investor and the value of my aggregate investments in all entities during the past 12 months under the Offering Memorandum exemption, including this investment is \$_____

Initial

- (ii) I am an eligible investor **that has not** received any advice from a portfolio manager, investment dealer or exempt market dealer and the value of my aggregate investments in all entities during the past 12 months under the Offering Memorandum exemption, including this investment is \$_____

Initial

- (iii) I am an eligible investor **that has** received advice from a portfolio manager, investment dealer or exempt market dealer and the value of my aggregate investments in all entities during the past 12 months under the Offering Memorandum exemption, including this investment is \$_____

4.6 For Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan residents, please complete the following:

- (a) this Agreement;
- (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as Exhibit I
- (c) if a finder is involved in your subscription, the Risk Acknowledgement Form, in duplicate, attached as Exhibit II;
- (d) the Notification of Personal Information attached as Exhibit III;
- (e) the Schedule 1 - Classification of Investors Under the Offering Memorandum Exemption attached as Exhibit VIII and Schedule 2 - Investment Limits for Investors Under the Offering Memorandum Exemption attached as Exhibit IX; and
- (f) if relying on the accredited investor, the Accredited Investor Certificate attached as Exhibit VI and, if applicable depending on the accredited investor categories chosen, the Form 45-106F9 Risk Acknowledgement attached as Exhibit VII.

5. VENTURE CAPITAL CORPORATION TAX CREDIT FOR BC RESIDENTS ONLY

- 5.1 If the Subscriber is seeking a tax credit under the *Small Business Venture Capital Act* (the "**SBVC Act**"), the Subscriber must complete all relevant information on the Share Purchase Report attached hereto as Exhibit V, **except for the date**, and deliver the Share Purchase Report to the Issuer along with the executed Subscription Agreement. The Subscriber hereby authorizes the Issuer and/or its legal counsel to insert, as the "Investment Date" and the date of execution of the Share Purchase Report, that date on which the Subscriber's subscription is closed.
- 5.2 The Issuer represents and warrants that it is registered as a Venture Capital Corporation under the SBVC Act and that, unless otherwise indicated to the Subscriber in writing, at the time of closing of the Subscriber's subscription it will have sufficient additional equity authorization under the SBVC Act to qualify the Subscriber's subscription for a provincial tax credit under the SBVC Act.
- 5.3 The Subscriber acknowledges and agrees that the eligibility of the Subscriber's subscription for a tax credit under the SBVC Act is subject to the terms and conditions of the Issuer's additional equity authorization and the provisions of the SBVC Act and regulations and that **the Issuer has recommended that the Subscriber seek independent legal advice with respect to the provisions of the SBVC Act.**
- 5.4 The Subscriber acknowledges that if the Subscriber is seeking a tax credit under the

SBVC Act, the certificates representing the Securities subscribed for hereunder may bear a legend indicating that the value of the Securities may be significantly affected by the repayment provisions of the SBVC Act.

6. RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

- 6.1 The Subscriber shall have the rights set forth in the Offering Memorandum under Item 11 – Purchaser’s Rights as if such rights were fully set forth in this Subscription Agreement and such rights are hereby incorporated by reference herein.

7. PRIVACY LEGISLATION

- 7.1 The Subscriber acknowledges and consents to the fact that the Issuer is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the Subscriber for the purpose of completing this Agreement. The Subscriber acknowledges and consents to the Issuer retaining such personal information for as long as permitted or required by law or business practices; the Subscriber agrees and acknowledges that the Issuer may use and disclose such personal information: (i) for internal use with respect to managing the relationships between and contractual obligations of the Issuer and the Subscriber; (ii) for use and disclosure for income tax-related purposes, including without limitation, where required by law disclosure to Canada Revenue Agency; (iii) disclosure to professional advisers of the Issuer in connection with the performance of their professional services; (iv) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory; (v) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure where there is no reasonable alternative to such disclosure; (vi) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber’s prior written consent; (vii) disclosure to a court determining the rights of the parties under this Agreement; and (viii) for use and disclosure as otherwise required or permitted by law. In addition, the Subscriber further acknowledges and consents to the fact that the Issuer may be required to provide any one or more of the Canadian securities regulators, stock exchanges, Investment Dealers Association of Canada, other regulatory agencies, Canada Revenue Agency or the Issuer’s registrar and transfer agent, if any, with any personal information provided by the Subscriber in this Agreement, and may make other filings of such personal information as the Issuer’s counsel deems appropriate, and the Subscriber hereby consents to and authorizes the foregoing use and disclosure of such personal information and agrees to provide, on request, all particulars required by the Issuer in order to comply with the foregoing.

8. MONEY LAUNDERING LEGISLATION

- 8.1 The Subscriber represents and warrants that the funds representing the aggregate purchase price in respect of the Shares which will be advanced by the Subscriber to the

Issuer hereunder will not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “PCMLTF Act”) and the Subscriber acknowledges that the Issuer may in future be required by law to disclose the Subscriber’s name and other information relating to this Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to the PCMLTF Act; to the best of the Subscriber’s knowledge, none of the subscription funds to be provided hereunder (i) have been or will be obtained or derived, directly or indirectly, from or related to any activity that is deemed illegal under the laws of Canada or the United States or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Issuer if the Subscriber discovers that any such representation ceases to be true, and shall provide the Issuer with appropriate information in connection therewith.

9. ENGLISH LANGUAGE

- 9.1 This Agreement and all the Exhibits attached hereto, are in the English language only, which language shall be controlling in all respects, and any versions in any other language shall not be binding on the parties. All communications and notices to be made or given pursuant to this Agreement shall be in the English language. It is the express wish of the parties to this Agreement that this Agreement and any related documents be drawn up and executed in the English language. Il est la volonté expresse des parties que cette convention et tous les documents s’y rattachant soient rédigés et signés en anglais.

10. GENERAL PROVISIONS

- 10.1 The Subscriber and the Issuer shall, from time to time and without further consideration, do and perform such other acts and execute and deliver such other documents and instruments as may be reasonably necessary to effect the transactions contemplated by the terms of this Agreement.
- 10.2 This Agreement and the related schedules attached to the Offering Memorandum as executed by the Subscriber in connection herewith, constitute the entire agreement between the Subscriber and the Issuer and, other than the Offering Memorandum, there are no other agreements, representations, warranties, conditions or covenants, express or implied, whether written or oral, concerning or affecting the transactions contemplated hereunder all prior agreements, representations, warranties, conditions and covenants concerning the subject matter of this Agreement are hereby amended and replaced by the terms and conditions hereof.
- 10.3 The Subscriber acknowledges and agrees that the Issuer will not be liable for any misrepresentation concerning or affecting the subject matter of this Agreement if the Subscriber purchased the Shares with knowledge of the misrepresentation and, in any event and without limiting the foregoing, the Issuer shall not be liable to the Subscriber for any amount exceeding the value of the Subscription Funds as of the date of this subscription offer.

- 10.4 The Subscriber hereby authorizes the Issuer to correct any minor errors in, or complete any minor information missing from, any document which has been executed by the Subscriber and delivered to the Issuer with respect to this subscription. The Subscriber further authorizes the Issuer to provide to the applicable securities regulator(s) such personal information of the Subscriber as may be required by the applicable securities legislation.
- 10.5 This Agreement may be executed by facsimile transmission and in counterparts and all such copies and counterparts when taken together shall be deemed to be an original executed copy hereof.
- 10.6 This Agreement shall be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and permitted assigns.
- 10.7 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, Canada, without regard to its conflicts of laws rules.
- 10.8 The parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
- 10.9 Where the context requires, all references in this Agreement to gender shall include all other genders and the neuter, and vice-versa, and all references to the plural shall include the singular, and vice-versa.
- 10.10 The Subscriber agrees to update its residential address as necessary from time to time by delivery of notice in writing to the Issuer's solicitors, Pushor Mitchell LLP at 301-1665 Ellis Street, Kelowna, B.C. V1Y 2B3.

[The remainder of this page has been intentionally left blank]

The share certificate should be made out as follows:

NAME _____ *

ADDRESS _____

(Street)

(City, Province, Postal Code)

* NOTE: If the share certificate is to be held jointly, please indicate, by checking the applicable box, whether you want the share certificate to be issued as held (i) jointly, with rights of survivorship ("WRS"), or (ii) jointly, as tenants in common ("TIC"):

☐ Jointly, WRS

☐ Jointly, TIC

If no election is made, the share certificate will be issued as held jointly, as tenants in common.

IN WITNESS WHEREOF the Subscriber has caused this Agreement to be executed at the City of _____, in the Province of _____, this _____ day of _____, 201____.

(Name of Subscriber – please print)

Signature (Individual Subscriber)

By: _____
Authorized Signature (Corporate Subscriber)

(Subscriber's Address)

(Official Capacity or Title – please print)

(Telephone Number)

(E-mail address & Fax Number, if applicable)

(Please print name of individual who is
the authorized signatory of the Corporate Subscriber)

Beneficial Subscriber Name for a Corporate or Non-Individual Subscriber

(Address of Beneficial Subscriber if
different than address above)

Registration Instructions: <hr/> Name <hr/> Account reference, if applicable <hr/> Address <hr/> Telephone Number	Delivery Instructions: Deliver photocopies of the Certificates representing the Shares as set forth below: <hr/> Instructions <hr/> Account reference, if applicable <hr/> Address <hr/> Telephone Number <hr/> Contact Name
--	---

ACCEPTANCE

The Issuer hereby accepts the above Subscription as to _____ Shares.

Dated this _____ day of _____, 201____.

SOMALIFE VENTURES (VCC) INC.

Per: _____
Authorized Signatory

EXHIBIT I
Form 45-106F4

Risk Acknowledgement

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

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. SOMALIFE VENTURES (VCC) INC. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

WARNING

You have 2 business days to cancel your purchase

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

Issuer Name and Address: SOMALIFE VENTURES (VCC) INC.
c/o 301 – 1665 Ellis Street, Kelowna, BC, V1Y 2B3
Fax: (250) 762-6665 E-mail: forrest@pushormitchell.com

You are buying Exempt Market Securities

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

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

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

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission

Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
www.bcsc.ca

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com/

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

The Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Ontario Securities Commission

Toll Free Telephone: 1-877-785-1555
www.osc.gov.on.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsec-cvmnb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-4625
www.gov.ns.ca/nssc/

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gs.gov.nl.ca

Government of Yukon

Telephone: (867) 667-5314
www.gov.yk.ca

Government of Northwest Territories

Telephone: (867) 920-3318
www.gov.nt.ca

Government of Nunavut

Telephone: (867) 975-6190
www.gov.nu.ca

***[Instruction: The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.]***

EXHIBIT I
Form 45-106F4

Risk Acknowledgement

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

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. SOMALIFE VENTURES (VCC) INC. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

W A R N I N G

You have 2 business days to cancel your purchase

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

Issuer Name and Address: SOMALIFE VENTURES (VCC) INC.
c/o 301 – 1665 Ellis Street, Kelowna, BC, V1Y 2B3
Fax: (250) 762-6665 E-mail: forrest@pushormitchell.com

You are buying Exempt Market Securities

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

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

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

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

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission

Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
www.bcsc.ca

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com/

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

The Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Ontario Securities Commission

Toll Free Telephone: 1-877-785-1555
www.osc.gov.on.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsc-cvmnb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-4625
www.gov.ns.ca/nssc/

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gs.gov.nl.ca

Government of Yukon

Telephone: (867) 667-5314
www.gov.yk.ca

Government of Northwest Territories

Telephone: (867) 920-3318
www.gov.nt.ca

Government of Nunavut

Telephone: (867) 975-6190
www.gov.nu.ca

*[Instruction: The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.]*

EXHIBIT II

Issuer Copy

Risk Acknowledgment under British Columbia Instrument 32-513 and Alberta Blanket Order 31-505 and *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions*

Name of Issuer: SOMALIFE VENTURES (VCC) INC.

Name of Seller: _____

I acknowledge that:

- ☐ The person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- ☐ The person selling me these securities does not act for me;
- ☐ This is a risky investment and I could lose all my money; and,
- ☐ I am investing entirely at my own risk.

Date

Signature of Purchaser

Print name of Purchaser

Name of salesperson acting on behalf of seller

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

National Instrument 45-106 Prospectus and Registration Exemptions may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

EXHIBIT II

Subscriber Copy

Risk Acknowledgment under British Columbia Instrument 32-513 and Alberta Blanket Order 31-505 and *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions*

Name of Issuer: **SOMALIFE VENTURES (VCC) INC.**

Name of Seller: _____

I acknowledge that:

- ☐ The person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- ☐ The person selling me these securities does not act for me;
- ☐ This is a risky investment and I could lose all my money; and,
- ☐ I am investing entirely at my own risk.

Date

Signature of Purchaser

Print name of Purchaser

Name of salesperson acting on behalf of seller

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

National Instrument 45-106 Prospectus and Registration Exemptions may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

EXHIBIT III

Notification of Delivery of Personal Information to Applicable Canadian Securities Commissions

In connection with the Issuer's issuance to you of Securities in its capital stock, the Issuer is required, pursuant to securities laws to report such Securities issuance to the applicable securities commissions. The report requires information as to the name and residential address of the person receiving the Securities, the purchase price of the Securities, the date of the distribution of the Securities and the number of Securities being issued. We are also required to receive your authorization to deliver such information to the applicable securities commissions.

This information:

1. is being collected indirectly by the applicable securities commissions under the authority granted to it in securities legislation; and
2. is being collected for the purposes of the administration and enforcement of the securities legislation of the applicable securities jurisdictions.

Please sign the authorization below and provide this form to the Issuer, along with your subscription agreement.

I, _____, do hereby authorize the Issuer to provide the information, as noted above, to the applicable securities commissions.

For an Individual:

Signature

Print Name

For a Corporate Entity:

Insert Name of Corporate Entity

Per: _____
Authorized Signatory

If you have any questions with respect to how this information is being used by the applicable securities commissions please feel free to contact them at:

British Columbia Securities Commission
701 West Georgia Street
Vancouver, BC V7Y 1L2
Telephone: (604) 899-6500

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Telephone: (204) 945-2548

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Bldg.
1690 Hollis Street
Halifax, NS B3J 3J9
Telephone: (902) 424-7768

Ontario Securities Commission
Suite 1903 - 20 Queen Street West
Toronto, ON M5H 3S8
Telephone: (416) 593-3682

Saskatchewan Financial Services Commission
6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Telephone: (306) 787-5879

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Bldg.
PO Box 2000
Charlottetown, PEI C1A 7N8
Telephone: (902) 368-4569

Alberta Securities Commission
4th Floor, 300 – 5th Avenue SW
Calgary, AB T2P 3C4
Telephone: 1-877-355-0585

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB E2L 2J2
Telephone: (506) 658-3060

Government of Newfoundland & Labrador
Financial Services Regulation Division
PO Box 8700, 2nd Floor West Block
Prince Philip Drive
St. John's NFLD A1B 4J6

(709) 729-4189

Autorite des marches financiers
800, Square Victoria, 22e etage
Montreal, QC H4Z 1G3
Telephone: (514) 395-0337

Government of Yukon
Dept. of Community Services
3rd Floor, 2130 Second Avenue
Whitehorse, YT Y1A 5H6
Telephone: (867) 667-5314

Government of NWT
Office of the Superintendent of
Securities
PO Box 1320
Yellowknife, NT X1A 2L9
Telephone: (867) 920-8984

Government of Nunavut
Dept. of Justice – Legal Registries
Div.
PO Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6190

EXHIBIT IV

REPRESENTATION LETTER NI-45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON RESIDENTS

The undersigned (the “Subscriber”) hereby confirms and certifies to SOMALIFE VENTURES (VCC) INC. that the Subscriber is purchasing the Shares as principal, that the Subscriber is resident in the jurisdiction set out below and that the Subscriber is: **[check appropriate boxes]**

☐

an “Eligible Investor”, being a person whose **[circle one or more]**

- (i) net assets, alone or with a spouse, in the case of an individual, exceed CDN\$400,000,
- (ii) net income before taxes exceeded CDN\$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
- (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded CDN\$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,

☐

a person of which a majority of the voting securities are beneficially owned by Eligible Investors or a majority of the directors are Eligible Investors,

☐

a general partnership in which all of the partners are Eligible Investors,

☐

a limited partnership in which the majority of the general partners are Eligible Investors,

☐

a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are Eligible Investors,

☐

an accredited investor (as defined in NI 45-106), and has completed

☐

a person who is a family member, close personal friend or close business associate as described in section 2.5 of NI 45-106,

☐

a person that has obtained advice regarding the suitability of the investment and, if the person is in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser (as defined in NI 45-106).

EXECUTED by the Subscriber this ____ day of _____ 20 ____.

If a Corporation, Partnership or other entity:

If an Individual:

Signature of authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction of Residence

Jurisdiction of Residence

EXHIBIT V

SHARE PURCHASE REPORT


**PROVINCE OF
BRITISH COLUMBIA**

Toll Free: 1-800-665-6597

Phone: (250) 952-0136

Fax: (250) 952-0371

Email: ecp@tbc.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FIPPA) The information collected on this form is collected under the authority of the *Small Business Venture Capital Act, RSBC 1996 c. 429* (Act) and is subject to the provisions of the FIPPA. The personal information will be used for the administration of the Act and the issuance of tax credits. For more information regarding this form and the FIPPA please contact the **Investment Capital Branch, Box 9800 Stn Prov Govt, Victoria, B.C. V8W 9W1**

This report must be completed by the VCC or EBC investor. Please print clearly and legibly.

Name of Venture Capital Corporation (the "VCC") or Eligible Business Corporation (the "EBC") SOMALIFE VENTURES (VCC) INC.	
SIN# or Business # (9-Digits) of the Individual or Corporate investor (in the VCC or EBC who will receive the tax credit). - - Failure to complete this section with accurate information may prevent a tax credit certificate from being issued.	
Legal Name of the Individual or Corporate Investor in the VCC or EBC (the "Investor") (this name must appear on the share certificate) Legal Last name (or Corporate Name) Legal First Name Legal Middle Name	
Full Address of Investor (residential address for individual investor or place of business address for corporate investor) Street Address City Postal Code - Province B.C. Phone Number - -	
Investment Amount Paid for the VCC or EBC Shares (the "Shares")	\$.
Number of Shares Purchased	
Share Certificate Class	
Name on Share Certificate (if the shares are registered in the name of an RSP Trustee or in joint names)	
Investment Date	

CERTIFICATION I, the undersigned, do hereby certify that:

As at the investment date noted above, I am an individual resident in British Columbia **OR** I am an authorized signing officer of a corporation which has a place of business or permanent establishment in British Columbia;

- no tax credit has been previously allowed or paid for the Shares;
- the Shares were acquired for cash consideration directly from the VCC, EBC or its agent, and the Shares have been fully paid for in cash;
- the Shares purchased do not carry rights or restrictions prohibited by the *Small Business Venture Capital Act* and *Regulations*;
- I have not received any financial assistance to purchase these shares from the EBC, the VCC or any business that the VCC has invested in or any affiliate of the EBC, VCC or business.;
- neither myself or my associates (i.e. relatives) or my affiliates (i.e. other companies controlled by myself or associates) have voting control over the EBC or in any manner control the EBC;
- I have not disposed of any class or type of EBC shares in the two years prior to the investment date;
- I am the beneficial and registered owner of the Shares (except as noted on the share certificate); and
- all information set out above is true and correct.

I am aware that the Province of British Columbia in no way guarantees the value of any shares issued by an EBC or VCC registered under the Small Business Venture Capital Act nor does it in any way express an opinion as to the financial condition of the issuing company or the merits of an investment in shares of the issuing company. **I am aware that the information provided in this form will be used to issue a tax credit certificate and may be shared with Canada Revenue Agency.**

Signature

Full Name

Date

EXHIBIT VI
ACCREDITED INVESTOR CERTIFICATE

The undersigned Subscriber represents and warrants that he/she/it is an “Accredited Investor” within the meaning of National Instrument 45-106, Prospectus and Registration Exemptions, and by initialing the appropriate box below, the Subscriber certifies that he/she/it satisfies one of the following categories:

NOTE: The Subscriber should place an “X” in the appropriate box and initial beside the category applicable to this Exhibit VI.

The Subscriber certifies, represents and warrants to the Issuer that:

IT SATISFIES ONE OR MORE OF THE CATEGORIES INDICATED BELOW (PLEASE PLACE AN “X” IN THE APPROPRIATE BOXES):

<input type="checkbox"/>	Category (a)	except in Ontario, a Canadian financial institution, or a Schedule III bank,
<input type="checkbox"/>	Category (b)	except in Ontario, the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada),
<input type="checkbox"/>	Category (c)	except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
<input type="checkbox"/>	Category (d)	except in Ontario, a person registered under the securities legislation of Canada as an adviser or dealer,
<input type="checkbox"/>	Category (e)	an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
<input type="checkbox"/>	Category (e.1)	an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador),
<input type="checkbox"/>	Category (f)	except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
<input type="checkbox"/>	Category (g)	except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Quebec,
<input type="checkbox"/>	Category (h)	except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
<input type="checkbox"/>	Category (i)	except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,
<input type="checkbox"/>	Category (j)	an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000, (where “financial assets” means cash, securities term deposits and the cash value of life insurance policies, but excluding real estate and other non-financial assets, and “related liabilities” means liabilities incurred or assumed for the purposes of financing the acquisition or ownership of financial assets or liabilities that are secured by financial assets),

<input type="checkbox"/>	Category (j.1)	an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,
<input type="checkbox"/>	Category (k)	an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
<input type="checkbox"/>	Category (l)	an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
<input type="checkbox"/>	Category (m)	a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,
<input type="checkbox"/>	Category (n)	an investment fund that distributes or has distributed its securities only to <ul style="list-style-type: none"> (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [<i>Minimum amount investment</i>] and 2.19 [<i>Additional investment funds</i>], or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [<i>Investment fund reinvestment</i>],
<input type="checkbox"/>	Category (o)	an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
<input type="checkbox"/>	Category (p)	a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
<input type="checkbox"/>	Category (q)	a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
<input type="checkbox"/>	Category (r)	a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
<input type="checkbox"/>	Category (s)	an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
<input type="checkbox"/>	Category (t)	a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
<input type="checkbox"/>	Category (u)	an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
<input type="checkbox"/>	Category (v)	a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor, or
<input type="checkbox"/>	Category (w)	a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

EXHIBIT VII

Form 45-106F9

Risk Acknowledgement for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment:	
Type of Securities: Class "B" Voting Common Shares	Issuer: Somalife Ventures (VCC) Inc.
Purchased From:	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk Acknowledgement	
This investment is risky. Initial that you understand that:	Your Initials
Risk of loss - You could lose your entire investment of \$ _____	
Liquidity Risk - You may not be able to sell your investment quickly - or at all.	
Lack of Information - You may receive little or no information about your investment.	
Lack of advice - You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca	
3. Accredited Investor Status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your Initials
<ul style="list-style-type: none">Your net income before taxes was more than \$200,000 in each of the two (2) most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	

<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the two (2) most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with a spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to cash and securities. 	
<ul style="list-style-type: none"> Either alone or with a spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson Information	
[The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the Issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of Firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
Somalife Ventures (VCC) Inc. Unit 1A - 1386 Stevens Road West Kelowna, BC V1Z 2S9 Glen Vause - 778-755-5700 glenv@somalife.com www.somalife.com	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca	

EXHIBIT VIII

Schedule 1

Classification of Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption		
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.		
A. You are an eligible investor because:		Your Initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with a spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	
B. You are an eligible investor, as a person described in section 2.3 [Accredited Investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario) because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$300,000 in the current calendar year.	
	Either alone or with a spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with a spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
Family, Friends and Business Associates	You are: 1) <i>[check all applicable boxes]</i> <input type="checkbox"/> a director of the issuer or an affiliate of the issuer <input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer <input type="checkbox"/> a control person of the issuer or an affiliate of the issuer <input type="checkbox"/> a founder of the issuer	

	<p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p><i>[Instruction: insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____.</i></p>	
	<p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____</p> <p><i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____</p> <p><i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____</p> <p>You have known that person for _____ years.</p>	
<p>D. You are not an eligible investor.</p>		<p>Your Initials</p>
<p>Not an Eligible Investor</p>	<p>You acknowledge that you are not an eligible investor.</p>	

EXHIBIT IX

Schedule 2

Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your Initials
Eligible Investor	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	
B. You are an eligible investor, as a person described in section 2.3 [Accredited Investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited Investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [<i>Family, friends and business associates</i>], you are not subject to investment limits.	

D. You are not an eligible investor.		Your Initials
Not an Eligible Investor	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]	
First and last name of registrant (please print):	
Registered as: [Instruction: indicate whether registered as a dealing representative or advising representative]	
Telephone:	Email:
Name of firm: [Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]	
Date:	