



HIGHMARK
MARKETING

HIGHMARK MARKETING INC.
(the “Company”)

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON May 20, 2016**

AND

MANAGEMENT INFORMATION CIRCULAR

**IN RESPECT OF THE COMPANY’S ANNUAL GENERAL MEETING
AND THE TRANSACTION INVOLVING THE COMPANY’S
ACQUISITION OF LIGHTNING INDUSTRIES, INC.**

April 21, 2016

All Information contained in this Circular with respect to the Company was supplied by the Company for inclusion herein.

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your investment advisor.

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Highmark Marketing Inc. (the “**Company**”) will be held at the offices of Bacchus Law Corporation, located at Suite 1820, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, on May 20, 2016 at 11:00 a.m. (Vancouver time), for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended March 31, 2015, together with the auditor's report thereon;
2. to re-appoint Charlton & Company as the auditors of the Company for the current fiscal year and to authorize the board of directors of the Company to fix the auditor's remuneration;
3. to set the number of directors of the Company at three (3);
4. to elect directors for the ensuing year;
5. to consider and if thought advisable, to approve the Company's acquisition of Lightning Industries Inc.; and
6. to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The board of directors of the Company have fixed April 15, 2016 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such receive notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services, 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, no later than 11:00 a.m. on May 18, 2016, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Dated at Vancouver, British Columbia, on April 21, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

“*Marc Branson*”
Marc Branson
CEO and Director

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

INFORMATION CIRCULAR

INTRODUCTION

This information circular ("**Information Circular**") accompanies the Notice of annual and special meeting (the "**Notice**") and is furnished to shareholders holding common shares in the capital of Highmark Marketing Inc. (the "**Company**" or "**Highmark**") in connection with the solicitation by the management of the Company of proxies to be voted at the annual and special meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held at 11:00 a.m. on May 20, 2016 at the offices of Bacchus Law Corporation, Suite 1820, 925 West Georgia Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

The date of this Information Circular is April 21, 2016. Unless otherwise stated, all dollar amounts referenced herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

The Company has arranged for intermediaries to forward the Meeting materials to beneficial owners of common shares in the Company held of record by those intermediaries. The Company has distributed or made available for distribution, copies of the Notice, this Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "**Intermediaries**") for distribution to holders (the "**Beneficial Shareholders**") of common shares in the Company held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

The Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*. An objecting beneficial owner will not receive such materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. On a show of hands, every shareholder is entitled to one vote for each common share that such shareholder holds on April 15, 2016 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of shareholders is available for inspection during normal business hours at the offices of Computershare Investor Services and will be available at the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services (the “**Transfer Agent**”) at their offices located at 510 Burrard Street Floor 3, Vancouver, BC V6C 3B9, by mail or fax, no later than 11:00 a.m. on May 18, 2016, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxy

A shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION BY PROXIES

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own

return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, a total of 58,490,428 common shares in the authorized capital of the Company were issued and outstanding. Each common share carries the right to one vote at the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued common shares entitled to be voted at the Meeting. A simple majority of the votes of those

shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution. A majority of at least two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution.

Only registered shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company.

GENERAL MATTERS

The information prepared herein is with respect to the Company's year ended March 31, 2015; and includes subsequent events to and until the Record Date of this Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Definitions

For the purpose of this Information Circular, "Named Executive Officers" means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) the Company's other most highly compensated executive officer, whose total compensation exceeded \$150,000, and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

As of the fiscal year ended March 31, 2015, the Company had two Named Executive Officers ("NEOs"): Marc Branson, Chief Executive Officer ("CEO"), and Tak Tsan Tso, Chief Financial Officer ("CFO"). The Company's present CFO is Kenneth Tollstam, who has served as CFO since August 25, 2015.

Summary Compensation Table Excluding Compensation Securities

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and the directors of the Company for the fiscal year ended March 31, 2015:

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, Consulting Fee, Retainer, Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Marc Branson CEO and a director	2015	97,857 ⁽¹⁾	Nil	Nil	Nil	Nil	97,857 ⁽¹⁾
Tak Tsan Tso Former CFO (until August 2015)	2015	Nil	Nil	Nil	Nil	Nil	Nil

David Taylor <i>Director</i>	2015	28,690 ⁽²⁾	Nil	Nil	Nil	Nil	28,690 ⁽²⁾
Peter Schriber <i>Director</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Branson received consulting fees that were paid to Global Strategy Solutions Inc., a private company owned by Mr. Branson for expenses incurred on behalf of the Company and corporate development consulting work.
- (2) The consulting fees were paid to RMDC Holdings Corp., a private company owned by Mr. Taylor.

Narrative Discussion

Other than as set forth in the foregoing, no NEO or director of the Company has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Stock Options and Other Compensation Securities

The table below sets forth all compensation securities granted or issued to each NEO and director by the Company in the financial year ended March 31, 2015 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Marc Branson CEO and a director	Stock Options	1,000,000	May 1, 2014	0.025	N/A	0.03	May 1, 2019
Tak Tsan Tso <i>Former CFO (until Aug. 2015)</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
David Taylor <i>Director</i>	Stock Options	200,000	May 1, 2014	0.025	N/A	N/A	May 1, 2019
Peter Schriber <i>Director</i>	Stock Options	200,000	May 1, 2014	0.025	N/A	N/A	May 1, 2019

During the fiscal year ended March 31, 2015, no stock options were re-priced, cancelled and replaced, had their term extended or were otherwise materially modified, except in accordance with the Forward Split (defined below).

The Company completed a four-for-one forward split (the “**Forward Split**”) utilizing the “push out method” with a record date of December 1, 2014 (the “**Forward Split Record Date**”). Shareholders of record as of the close of business on the Forward Split Record Date held four common shares for every one common share held on the Forward Split Record Date. The additional common shares were issued to shareholders on December 4, 2014. The Issuer had 13,868,607 issued and outstanding common shares prior to the Forward Split and upon completion of the Forward Split had 55,474,428 issued and outstanding common shares.

None of the stock options held by the directors and NEOs as listed above were subject to any vesting provisions or any restrictions or conditions for converting, exercising or exchanging the options.

Exercise of Compensation Securities by NEOs and Directors

No compensation securities were exercised by an NEO or director of the Company during the financial year ended March 31, 2015.

Stock Option Plans and Other Incentive Plans

The only security based compensation arrangement that the Company has in place is a stock option plan adopted by the Board on May 1, 2014 (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire common shares in the Company. This increase in the proprietary interest in the Company encourages the individuals to remain associated with the Company and furnishes them with additional incentive to improve their efforts on behalf of the Company.

Stock options may be granted to the following persons under the Stock Option Plan, as further defined in the Stock Option Plan:

- (d) Eligible Employees, including officers;
- (e) Directors;
- (f) Consultants or Consultant Companies; and
- (g) Management Company Employees.

The decision to grant options is made by the Board as a whole, and a grant is approved by directors’ resolutions or at a meeting of the directors. The Company has a Stock Option Plan which provides for the issuance of stock options to acquire up to that number that is 10% of the issued and outstanding common shares of the Company as at the date of the respective grant. The maximum term of stock options issued under the Stock Option Plan is five years. A copy of the Stock Option Plan is available for review at (a) www.sedar.com and (b) at the registered and records office of the Company, Suite 1820, 925 West Georgia Street, Vancouver British Columbia V6C 3L2 during normal business hours up to and including the date of the Meeting.

As of the end of the financial year ended March 31, 2015, there were 3,544,000 options outstanding. The Company’s Stock Option Plan was the only equity compensation plan under which securities were authorized for issuance.

The following table sets forth information with respect to the securities issued under an equity compensation plan as at the year ended March 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	Nil	N/A	N/A
Equity compensation plans not approved by security holders ⁽¹⁾	3,544,000	.064	2,942,342

Notes:

- (1) The Company is permitted under its articles to adopt a stock incentive plan with approval of the Board.
(2) Calculated as the total number of shares authorized for issuance under the Company's stock option plan as of March 31, 2015 (being 10% of 64,863,428 outstanding shares, or 6,486,342 options), less the number of options outstanding as at such date.

As at March 31, 2015, the breakdown of the 3,544,000 stock options issued and outstanding was as follows:

Number of Options	Exercise Price	Expiry Date
1,544,000	\$0.0250	May 1, 2019
1,600,000	\$0.0875	June 3, 2015
200,000	\$0.1250	June 19, 2015
200,000	\$0.1150	July 21, 2015

Employment, Consulting and Management Agreements

Highmark does not currently have any employment, consulting or management agreements.

Oversight and Description of Director and NEO Compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the directors and NEOs of the Company. As at the fiscal year ended March 31, 2015, the Company did not have a formal compensation program with specific performance goals or similar conditions. However, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period. The Company does not use any benchmarking in determining compensation or any element of compensation.

At present, the Board does not evaluate the implications of the risks associated with the current compensation policies and practices as the Company is in the start-up phase of our development and its management is focusing their time and attention on the Company's operations.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to any of its directors or NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no contract, agreement, plan or arrangement that provides for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control of the Company or change in the NEO's responsibilities.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

To the knowledge of management of the Company, other than as disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the policies of the CSE and National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

Audit Committee's Charter

The Company adopted an audit committee charter on April 25, 2014, the text of which is included as Schedule A to this Information Circular.

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Director	Independent Status	Financial Literacy Status
Marc Branson	Not independent ⁽¹⁾⁽²⁾	Financially literate
Peter Schriber	Independent	Financially literate
David Taylor	Independent	Financially literate

Notes:

(1) As defined by NI 52-110.

(2) Marc Branson is the Chair of the Audit Committee.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

David Taylor has a Business Administration degree from Simon Fraser University in British Columbia, has over 16 years of finance industry experience, is a qualified Ultimate Designated Person and Chief Compliance Officer, has sat on the audit committee of Central Iron Ore Limited (CIO.V) and was a Director and Interim CEO of Mediterranean Resources (MNR.TO).

Peter Schriber has a commerce degree from Switzerland, over 30 years of management positions in the banking sector, graduated as a fellow of the institute of Canadian Bankers and has acted as a director for several public companies for which he has served on Audit Committees.

Marc Branson has a Business Administration degree from Capilano College in British Columbia, over 16 years of experience in corporate finance and consulting fields, and has acted as a director for several public companies for which he has served on Audit Committees.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year, have we relied on the exemption in sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.4 (Events Outside Control of Member), 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of our most recently completed financial year, have we relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exception Circumstances) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of our most recently completed financial year, have we relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

Reliance on Section 6.1

Pursuant to section 6.1 of NI 52-110, as a venture issuer we are relying on the exemption from the audit committee composition requirements and certain reporting obligations found in Parts 3 and 5 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of our most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading “**External Auditors**”.

External Auditor Service Fees

In the following table, “**audit fees**” are fees billed by Highmark’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “**Audit-related fees**” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “**Tax fees**” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “**All other fees**” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as set out in the table below.

Financial Year Ended March 31	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2015 ⁽¹⁾	10,700	Nil	Nil	Nil

Notes:

(1) The Company was incorporated on April 2, 2014. The Company’s first fiscal year end was March 31, 2015.

CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board of the Company and the Company’s management believes that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Company’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out below.

Board of Directors

The Board of the Company facilitates its exercise of independent supervision over the Company’s

management through frequent meetings of the Board.

Independence of Directors

As a venture issuer, the Company is exempt from the independence requirements of NI 52-110, Part 3.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Company(s)
Marc Branson	Highmark Technologies Corp. MJ Bioscience Corp. Valparaiso Energy Inc.
David Taylor	Highmark Technologies Corp. MJ Bioscience Corp.
Peter Schriber	Highmark Technologies Corp. MJ Bioscience Corp. Callinex Mines Inc.

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the compensation of the directors and CEO once a year. To make its recommendations on such compensation, the Board informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Company in their capacity as directors. The Board does not currently have a compensation committee.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

A. Presentation of Financial Statements

Audited Financial Statements

The audited financial statements of Highmark for the fiscal year ended March 31, 2015, and the report of the auditors thereon will be placed before the Meeting. Receipt at the Meeting of the audited financial statements of the Company for the fiscal year ended March 31, 2015 will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the audited financial statements. These audited financial statements are available at www.sedar.com.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Request form attached to this Information Circular and send it to the Transfer Agent.

B. Re-Appointment of Auditor

At the Meeting, Shareholders will be asked to pass a resolution re-appointing Charlton & Company as auditor of the Company to hold office until the next annual meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of the Company to fix the remuneration to be paid to the auditor. Charlton & Company of Vancouver, British Columbia has served as the auditor for the Company since April 2, 2014.

Management recommends shareholders to vote for the approval of the re-appointment of Charlton & Company, as auditor for the Company to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the Board.

C. Number of Directors

The Articles of the Company provide for a board of directors of no fewer than three (3) directors and no greater than a number as fixed or changed from time to time by ordinary resolution.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at three (3). The number of directors will be approved if the affirmative vote of

the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at three (3).

Management recommends the approval of the resolution to set the number of directors of the Company at three (3).

D. Election of Directors

At present, the directors of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, as of the date of this Information Circular, is as follows:

Name Province Country of Residence and Position(s) with the Company	Principal Occupation Business or Employment for Last Five Years ⁽¹⁾	Director of the Company Since	Number of Common Shares Controlled ⁽¹⁾⁽²⁾⁽³⁾
Marc Branson⁽⁴⁾ British Columbia, Canada <i>Chief Executive Officer and Director</i>	President, CEO & a Director of MJ Bioscience Corp., President, CEO & a Director of Highmark Technologies Corp., President, CEO & a Director of RedLion Resources Company; Vice-President of Beachhouse Capital Inc., principal of Bridgemark Capital Corp.; Managing Director of Raincity Manufacturing; President of Global Strategy Solutions	April 2, 2014	3,785,000 common shares (6%)
David Taylor⁽⁴⁾ British Columbia, Canada <i>Chief Financial Officer and Director</i>	A Director of MJ Bioscience Corp., a Director of Highmark Technologies Corp., a Director of Highmark International Marketing Inc., President of Capital Street Group Investment Services Inc.; a Director and President of Cardea Metals Company; Independent Director for Central Iron Ore Limited (CIO:TSX-V)	April 2, 2014	3,920,000 common shares (7%)
Kevin Slichter British Columbia, Canada	President of Chihuahua Capital Corp., a consulting company for venture and small market capitalization companies; licensed stockbroker.	N/A	Nil
Total as a group	7,705,000 Common Shares (13%)		

Notes:

- (1) Common shares beneficially directly or indirectly owned or over which control or direction is exercised, at the date of this Information Circular, based upon information furnished to Highmark by the individual directors.
- (2) Does not include options to purchase common shares of the Company.
- (3) Based on 58,490,428 common shares issued and outstanding as of the date of this Information Circular.
- (4) Current member of the Audit Committee.

Management recommends the approval of each of the nominees listed above for election as a director of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

Other than as described below, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Taylor, a director of the Company, was a director of Mediterranean Resources Ltd. ("**Mediterranean**") from April 23, 2014 to May 23, 2014. Mr. Taylor also served as interim CEO for Mediterranean from May 6, 2014 to May 23, 2014. Mediterranean was the subject of a cease order (the "**CTO**") issued by the British Columbia Securities Commission (the "**BCSC**") on May 2, 2014, and the Ontario Securities Commission (the "**OSC**") on May 20, 2014, for late filing of its financial statements, management's discussion and analysis, annual information form and related certifications for the year ended December 31, 2013. The filing deadlines were missed while Mr. Taylor served as a director of Mediterranean. Mediterranean filed the necessary documents on its SEDAR profile on May 30, 2014 and the BCSC and OSC CTOs were subsequently lifted on June 3, 2014 and August 1, 2014, respectively.

Mr. Taylor is a director and Mr. Branson is a director and CEO of Highmark Technologies Corp. and MJ Bioscience Corp. Both companies were issued cease trade orders on March 8, 2016 by the BCSC and March 11, 2016 by the OSC for failure to file audited financial statements, management's discussion and analysis, annual information form and related certifications for the year ended October 31, 2015.

Bankruptcies

No proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

Personal Bankruptcies

No proposed director of the Company has, within ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Securities Related Penalties and Sanctions

No proposed director has been subject to, or entered into a settlement agreement resulting from:

- (a) a court order relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

D. Acquisition of Lightning Industries Inc.

The Company entered into a share exchange agreement dated effective February 1, 2016 (the “**Share Exchange Agreement**”) with Lightning Industries Inc. (“**Lightning**”) and Domenari Capital LLC (“**Domenari**”) whereby the Company agreed to acquire all of the outstanding securities of Lightning. There are 2,000 common shares issued and outstanding in the capital of Lightning, 100% of which are issued to Domenari (the “**Lightning Shares**”). A copy of the Share Exchange Agreement is available under the Company's SEDAR profile.

Pursuant to the terms of the Share Exchange Agreement, Domenari has agreed to assign, sell and transfer to the Company on the Closing Date all of all of its right, title and interest in and to its Lightning Shares. The purchase price for the Lightning Shares will be paid by the Company on the Closing Date by issuing to Domenari an aggregate of 40,000,000 fully-paid and non-assessable common shares in the Company (the “**Purchaser Shares**”).

Lightning Industries is a private New Mexico company that manufactures specialty products to enhance efficiency and increase the production of oil and gas wells. This transaction represents a change of business for the Company and is a “fundamental change” under CSE policies.

For ease of reference, full disclosure of the details of the transaction are provided in the Company's news release dated February 1, 2016 and in Schedule B to this Information Circular.

At the Meeting, Shareholders will be asked to consider, and if thought fit, to pass the following special resolutions to approve the Company's acquisition of Lightning:

“BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:

1. The acquisition (“**Acquisition**”) by Highmark Marketing Inc. (the “**Company**”) of Lightning Industries Inc. (“**Lightning**”), all as more particularly described and set forth in the Information Circular of the Company dated April 21, 2016 (as the Acquisition may be modified, supplemented or amended), is hereby authorized, approved and adopted.
2. The share exchange agreement (the “**Share Exchange Agreement**”) between the Company, Lightning and Domenari Capital LLC (“**Domenari**”) dated February 1, 2016 and the actions of the directors of the Company in approving the Acquisition are hereby ratified and approved.
3. Notwithstanding that this resolution has been passed (and the Acquisition adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Company:

- (a) to amend the Share Exchange Agreement or the Acquisition to the extent permitted by the Share Exchange Agreement; or
 - (b) subject to the terms of the Share Exchange Agreement, not to proceed with the Acquisition.
- 4. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute, whether under corporate seal of the Company or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Acquisition.
- 5. Any one director or officer of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, the Share Exchange Agreement, including:
 - (a) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Share Exchange Agreement or otherwise to be entered into by the Company,such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

The Board of Directors of the Company has reviewed the terms and conditions of the Share Exchange Agreement and concludes that the terms thereof are fair and reasonable and in the best interests of the Shareholders. The Board unanimously recommends that its Shareholders vote in favour of the Acquisition.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.

Shareholders may contact the Company at its head office by mail at Suite 800 – 1199 West Hastings Street, Vancouver, BC V6E 3T5, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the “**MD&A**”). Financial information is provided in the audited financial statements and MD&A for the Company for the year ended March 31, 2015.

OTHER MATTERS

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting included at the beginning of this Information Circular. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The content of this Information Circular has been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

Dated at Vancouver, British Columbia on April 21, 2016.

ON BEHALF OF THE BOARD

Highmark Marketing Inc.

"Marc Branson"

Marc Branson

CEO and Director

SCHEDULE A

HIGHMARK MARKETING INC. (the "Company")

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

- (c) Compensation. Recommend to the Board the compensation to be paid to the external auditors.
- (d) Replacement of Auditor. If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) Approve Non-Audit Related Services. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) Direct Responsibility for Overseeing Work of Auditors. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) Resolution of Disputes. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) Review of Interim Financial Statements. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) Auditor Reports and Recommendations. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) Financial Management. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) Accounting, Auditing and Internal Control Complaints. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) Employee Complaints. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) To Retain Independent Advisors. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

SCHEDULE B

INFORMATION PERTAINING TO THE COMPANY'S PROPOSED ACQUISITION OF LIGHTNING INDUSTRIES INC.

The following contains a description of Lightning and the Company for the purposes of providing Shareholders with sufficient information to make an informed decision when voting on the special resolution approving the Share Exchange Agreement at the Meeting. All capitalized terms not defined herein have the meanings ascribed to them in the Information Circular.

SUMMARY OF THE ACQUISITION

On September 3, 2015, the Company announced it had signed a letter of intent with Lightning in which the Company would acquire all of the issued and outstanding securities of Lightning in an all-share transaction to be completed by way of a share exchange agreement. On February 1, 2016 the Company entered into the Share Exchange Agreement with Lightning and its shareholder pursuant to which the Company agreed to acquire all of the issued and outstanding securities of Lightning from its sole shareholder, Domenari Capital, LLC (the "**Vendor**") (altogether, the "**Acquisition**"). Closing of the Share Exchange Agreement is subject to a number of conditions precedent including:

- (a) obtaining all required approvals, consents and authorizations of third parties and all regulatory approvals, including the CSE;
- (b) satisfactory completion of mutual due diligence investigations;
- (c) the appointment of new officers and directors of the Company; and
- (d) approval of the transaction by the Company's shareholders.

The authorized share capital of Lightning is 50,000 common shares with a par value of \$1.00. As of the date of the Information Circular, there are 2,000 Lightning Shares and there will be no other preferred or Lightning Shares issued and outstanding immediately prior to the Closing Date. All of the Lightning Shares at the Closing Date will be fully paid and non-assessable and 100% owned by the Vendor.

Lightning has no issued or outstanding share purchase options or warrants. There is no other agreement, obligation (contractual or otherwise), right or option, existing or pending pursuant to which Lightning is or might be required to issue any further Lightning Shares or other securities of its capital. Other than the Lightning Shares, there are no other securities of Lightning issued or outstanding.

Upon closing of the Acquisition, the Company will acquire all of the outstanding securities of Lightning in exchange for 40,000,000 fully-paid and non-assessable common shares in the Company to be issued to the Vendor (the "**Purchase Shares**").

In addition, upon the completion of audited annual financial statements of Lightning, with such financial statements indicating sales for a given fiscal year at the levels as set out below, and on the condition that substantially similar gross margins be maintained, Domenari shall be entitled to additional common shares of the Company as follows:

- (i) Upon Lightning recording a profit for a single fiscal year, in either the first or second full fiscal year immediately following the Share Exchange Agreement effective date, 2,000,000 common shares of the Company will be issued to Domenari ("**Bonus A**"); and

- (ii) Upon Lightning recording \$3,000,000 in revenues in a single fiscal year, in either the first, second or third full fiscal year immediately following the Share Exchange Agreement effective date, 2,000,000 common shares of the Company will be issued to the Shareholder ("**Bonus B**")

(together, the "**Bonus Shares**").

The Purchase Shares and the Bonus Shares will be subject to stock restrictions on terms set out in stock restriction agreements, which the Vendor will execute and deliver to the Purchaser concurrently with the issuance of the Purchase Shares and the issuance of the Bonus Shares and which will contain the following vesting schedule:

Vesting Date	Proportion of Vested Shares
On the Closing Date	10% of the shares
6 months after the Closing Date	15% of the shares
12 months after the Closing Date	15% of the shares
18 months after the Closing Date	15% of the shares
24 months after the Closing Date	15% of the shares
30 months after the Closing Date	15% of the shares
36 months after the Closing Date	The remainder of the shares

The certificates representing the Purchase Shares and the Bonus Shares will be stamped with the following legends (or substantially equivalent language) restricting transfer in the following manner:

"THE SHARES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON SALE OR OTHER TRANSFER PURSUANT TO AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER (OR SUCH HOLDER'S PREDECESSOR IN INTEREST), A COPY OF WHICH IS ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO THE AGREEMENT IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE COMPANY."

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER [INSERT THE DISTRIBUTION DATE]."

CORPORATE STRUCTURE

Name and Incorporation

Lightning was incorporated under the *Business Corporations Act* (New Mexico) under the name "Lightning Industries Inc." on October 23, 2008, under certificate number 4097549. Lightning's head office and registered office is located at 9725 North Denver City Highway, Hobbs, New Mexico 88242 USA.

The Company was incorporated under the *Business Corporations Act* (British Columbia) under the name "Highmark Marketing Inc." (formerly known as "Highmark Acquisitions Ltd.") on April 2, 2014, under incorporation number BC0998408. The Company's head office is located at Suite 800, 1199 West

Hastings Street, Vancouver, British Columbia V6E 3T5, and our registered and records office is located at Suite 1820 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

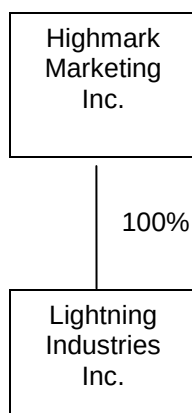
Intercorporate relationships

Diagrams depicting the corporate structure of Lightning and the Company at the present time and following completion of the Acquisition follow:

As of the date of the Information Circular:



Following completion of the Acquisition:



BUSINESS OF THE COMPANY

General Description of the Company

Upon closing of the Acquisition, the Company will no longer carry on any business in the nutraceutical industry. In anticipation of exiting the nutraceutical space, the Company sold 90% of its interest in BCBud Producers Inc. to Blue Moon Advertising Inc. on October 20, 2015. The Company maintains its 10% interest in BCBud Producers Inc. as a passive investment.

Moving forward, the Company's business will be through the operations of Lightning and advancing a related business through a proposed joint venture between the Company and Tadhams S.A. de C.V. ("Tadhams") for the purposes of marketing and managing water re-sale rights held by Tadhams. To date, the Company has entered into a letter of intent and term sheet establishing the basic terms of a joint venture.

History of the Company's Business

This section details a chronological description of the material transactions of the Company's business in the nutraceutical industry since its inception.

On April 4, 2014 the Company entered into, and on May 29, 2014 the Company completed a statutory arrangement under a plan of arrangement among the Company, Gorilla Minerals Corp. and Highmark International Marketing Inc. As a result, the Company became a reporting issuer in Alberta and British Columbia.

On April 29, 2014 Highmark International Marketing Inc. entered into an Asset Purchase Agreement with RMDC Holdings Corp. whereby RMDC Holdings Corp. inter alia assigned to Highmark International Marketing Inc. a license to distribute Vitapect™ for \$10,000.

On June 3, 2014, the Company began trading on the CSE under the symbol "HMK". On June 3, 2014 the Company also entered into an investor relations agreement and financial services agreement. The investor relations agreement was with Momentum Public Relations Inc. for a fee of \$5,000 per month and 150,000 stock options to purchase 150,000 common shares in the capital of the Company at an exercise price of \$0.35 expiring June 3, 2015. The consulting agreement was with Pristine Capital Corp. to provide financial advisory services specializing in developing strategies to unlock shareholder value for its corporate clients for a fee of \$5,000 per month and 250,000 stock options to purchase 250,000 common shares in the capital of the Company at an exercise price of \$0.35 expiring June 3, 2015.

On June 24, 2014, in connection with a growing interest from consumers to consume the health benefits of medical marijuana products, the Company entered into a binding letter of intent with BCBUD Producers Inc. ("**BCBUD**") to acquire 100% of the authorized share capital of BCBUD from BCBUD's sole shareholder, Blue Moon Advertising Inc. ("**Blue Moon**"). BCBUD is a company in the process of becoming a licensed producer of medicinal marijuana under the Marihuana for Medical Purposes Regulations (the "**MMPR**").

On July 21, 2014, the Company appointed Dmytro P. Yevtushenko, Ph.D., as a Scientific Advisor. Dr. Dmytro P. Yevtushenko is an accomplished scientist in the area of plant biology and biotechnology. According to Health Canada, a licensed producer of marijuana must have an employee designated as a quality assurance person who is responsible for assuring the quality of dried marijuana.

On August 5, 2014, the Company entered into a share exchange agreement with BCBUD to acquire 100% of its authorized share capital from the sole shareholder of BCBUD, Blue Moon Advertising Inc. The Company also entered into a consulting agreement with the President of BCBUD, Bill Marshall. Pursuant to the agreement, Blue Moon Advertising Inc. was issued 250,000 common shares in the Company on November 18, 2014.

On August 25, 2014, the Company formed a new business division called MJ Bioscience, dedicated to the research and development ("**R&D**") of proprietary cannabis based products and solutions. Highmark appointed Dmytro P. Yevtushenko, Ph.D., as head of the division.

On October 14, 2014, the Company entered into an asset purchase agreement with Intelliserve Software Inc. ("**Intelliserve**") to acquire the business of MobiWeed, an online medical marijuana dispensary mapping service.

On October 15, 2014 the Company incorporated two wholly own subsidiaries, MJ Bioscience Corp. ("**MJ Bioscience**") and Highmark Technologies Corp. ("**Highmark Technologies**") for the purposes of spinning off its research and development department and its information technology department into independent businesses.

On October 16, 2014 the MobiWeed asset purchase agreement closed. As consideration for the acquisition, the Company made a payment of \$35,000 and issued 250,000 common shares of the Company to Intelliserve.

On October 16, 2014 the Company entered into the Arrangement Agreement with Highmark Technologies and MJ Bioscience Pursuant to the Arrangement Agreement the Company intends to spin-off its R&D division and its information technology division to two of its wholly-owned subsidiaries, MJ Bioscience and Highmark Technologies. All of the Company's Cannabis Research were transferred to MJ Bioscience all of the Company's MobiWeed Assets were transferred to Highmark Technologies.

On December 1, 2014 the Company conducted a four-for-one forward stock split. Following the forward split, each shareholder of the Company held four common shares for every one common share held before the record date of December 1, 2014. The Company had 13,868,607 issued and outstanding common shares prior to and 55,474,428 issued and outstanding common shares upon completion of the Forward Split.

On January 28, 2015, the Company completed a statutory arrangement under a plan of arrangement with MJ Bioscience and Highmark Technologies. As a result, MJ Bioscience and Highmark Technologies became reporting issuers in Alberta, British Columbia and Ontario and the Company's shareholders as of January 12, 2015 acquired 100% ownership of Highmark Technologies and MJ Bioscience as a return in paid up capital.

On February 18, 2015 the Company closed the share exchange agreement with BCBUD and Blue Moon and completed the acquisition of BCBud. Upon closing the agreement, the Company issued 9,000,000 common shares to BCBUD that were held in escrow until certain landmarks were achieved related to the MMPR application (the "**Escrow Shares**"). BCBUD failed to reach any of its intended landmarks prior to the Company reselling BCBUD back to Blue Moon on October 9, 2015, resulting in the Escrow Shares being cancelled.

On July 28, 2015, the Company announced it would be pursuing new business opportunities as part of a strategic process to enhance shareholder value, including advanced discussion with companies within the natural resource, technology, and manufacturing sectors.

On August 7, 2015 the Company entered into a non-binding letter of intent with Tadhams representative, Donald Rainwater, setting out the proposed terms for a joint venture between the parties. The joint venture will target acquiring, marketing, and facilitating the use of water rights within the Jiminez District of Mexico for use by energy companies in the exploitation of Oil and Gas within the region. Monetary payments will be made by the Company to Tadhams to enter into a joint venture agreement, with the payment terms to be negotiated prior to entering into the joint venture. No shares of the Company will be issued under the joint venture.

On August 25, 2015 the Company appointed Kenneth Tollstam as its new CFO.

On October 9, 2015 the Company entered into, and on October 20, 2015 closed, a share purchase agreement with BCBUD and Blue Moon to transfer 90% of the Company's interest to Blue Moon.

On October 29, 2015 the Company finalized a term sheet with Tadhams to be incorporated into the non-binding letter of intent for the purpose of being adopted in a long form agreement and to guide any business between the parties concerning the proposed joint venture prior to a long form agreement being finalized.

On February 1, 2016, the Company entered into the Share Exchange Agreement with Lightning to acquire 100% of its outstanding shares from Domenari. Upon closing of the Share Exchange Agreement, the business of Lightning will be the primary business of the Company.

Business of Lightning

Lightning was incorporated in 2008 for the purpose of manufacturing specialty products to enhance efficiency and increase the production of oil and gas wells and to provide custom fabrication for a wide range of commercial clients.

Lightning is strategically centered to provide service to the West Texas and New Mexico oil and gas fields and the uranium processing industries in the area. With sales offices in San Antonio and Laredo, Texas, Lightning has easy access to the major gas production basins in Mexico. In addition, marketing efforts have commenced in Central and South America, the Middle East, and Africa.

Lightning also looks to instigate a lease based marketing program for its patented soap stick launcher. Lightning believes it can establish multiple international franchises within the next two years which will provide both initial sales and recurring revenue through the sale of supplies.

Lightning's manufacturing plant is an 18,000 square foot facility located on a 20 acres property in Hobbs, New Mexico. The building is partitioned into 2,500 square feet of office space with the remainder dedicated to fabrication and storage. Approximately 50,000 square feet is compressed caliche for parking and loading with another two acres for outside storage.

Moving forward, Lightning has the following key areas of focus:

1. Meeting customer's needs while creating a safe work environment; and
2. To expand and diversify Lightning by continuing to grow distribution of its products in the oilfield industry.

Products and Services

Lightning currently manufactures five key products, which are summarized below.

Lightning Auto Loader

The Lightning Auto Loader is an automated soap stick launcher for gas wells with a patented design. As the pressure in a gas well diminishes over time, fluid accumulates which creates a plug effect that reduces production. A soap launcher is used to apply surfactants into the well converting the accumulated fluid into foam, which can be more easily eliminated. Industry estimates indicate the use of soap sticks can achieve a 50% to 200% increase in gas production. The Lightning Auto Loader is designed to maximize safety, reduce maintenance cost, and requires minimal operator training. Some key features of the Auto Loader are:

1. **Safety:** Sticks are loaded from the ground, eliminating the need for ladders to climb to the top of the wellhead to load the launcher.
2. **Increased Production:** The user friendly controller can be set to drop as many times as needed in a 24 hour period to maintain production at maximal performance. The increased production can often pay for the cost of the launcher in a very short time.



3. **Large Stick Capacity:** The Auto Loader is capable of holding 25 sticks at a time with the option of a 100 stick rack.
4. **Fully Adjustable:** The Auto Loader can be adjusted to meet different height requirements of wellheads.
5. **Weather Proof Cabinet:** The Auto Loader's fiberglass cabinet is designed to keep client's soap sticks dry. The cabinet is also capable of being locked to keep out unauthorized personnel.
6. **Ease of Setup:** The Lightning Auto Loader is easy to setup. An in depth installation manual has been developed to guide customers through every step of setup.

Lightning Sand Separator

Sand is a common operating challenge in the oil and gas industry. Sand is contained in oil, gas and water extracted from reservoir sources and is transported with the fluids to a production system. Sand may cause severe problems due to erosion of upstream infrastructure and – even more commonly – major difficulties due to clogging of processing equipment. The Sand Separator has a unique centrifugal design effectively removes sand and particles allowing clean fluid to enter a pumping chamber.

Lightning Industries Solar Compressor with Smart Control

The Lightning Solar Compressor with Smart Control was developed in response to a growing demand in the oil and gas production industry for a safe, reliable, portable, self-contained, easy to use supply gas source.

Use of compressed air instead of produced gas for controls has several advantages, including less wasted sellable gas, elimination of problems from wet gas and condensate, and longer controls life. Another added advantage is the elimination of hazardous area creation everywhere methane and/or hydrogen sulfide is used for supply gas.



Lightning Flair Igniter

Oil fields, refineries, water treatment plants, and other industrial plants require flares to burn off flammable gas during unplanned over-pressuring of plant equipment. The Lightning Flair Igniter acts as a necessary spark generator used to ignite the excess gas stream. The unique ignition system and solar charged control panel provide the most economically viable product available in the industry. Lightning Industries Flair Igniter is a complete system constructed of high quality materials and can be quickly delivered and installed.

Lightning Industries Hot Oil Trailer

Hot oilers are routinely used in the removal of wax deposits from the upper wellbore sections, tubing, casings, and pipelines. Paraffin buildups reduce production volumes and create costly downtimes. The Lightning trailer uses a helical coil which transfers heat to the fluid which circulates throughout the system eliminating the blockages. Panels monitor the operating parameters including intake and outtake heat and pressure, and internal operating temperature.



Significant Acquisitions

Lightning has not completed a significant acquisition, as that term is defined in NI 41-101, from the period from incorporation to the date of the Information Circular.

Specialized Skill and Knowledge

Lightning's welders are required to have their 3G FCAW Welding Certification, their 3G MIG Welding Certification, and 6G Pipe Welding. Lightning's machinists are required to complete 6 months of in-house apprentice training.

Competitive Conditions

The following tables describe the name, location and current technology of market competitors of Lightning's business:

Comparable Specialty Fabrication Technologies Currently in Use		
Name	Location	Description of Technology
PemCo of New Mexico, Inc.	Hobbs, New Mexico, USA	Supplier of well service rig parts, specializing in obsolete parts, custom parts and custom fabrication which meets or exceeds to Original Equipment Manufacturer's parts specifications.
J&J Solutions, LLC	Perry, Oklahoma, USA	- Offers products and services for drilling & exploration as well as production. - Soap Stick Launcher, delivers soap sticks at intervals set manually with a timer.
Hydro Foam Technology, Inc.	Perkins, Oklahoma, USA	Automatic Stick Injector ("ASI") takes natural gas well stimulation using soap sticks to a higher level. The ASI can increase gas production by injecting soap sticks as needed and at timed intervals.

As a result of Lightning's research developments and partnerships established to date, Lightning believes its products and technologies have advantages over industry competitors in fabrication technology, including the following:

- (i) **Ground Level Loading.** Lightning loads at ground level which eliminates use of ladders and inherent safety risks; and
- (ii) **Higher Soap Stick Capacity.** Lightning's unit holds more soap sticks which reduces deliveries to the site.

Short Term Objectives

Lightning's growth strategy is to look to increase business by opening international markets such as Mexico and the Middle East. Lightning is currently in negotiations with several production companies in Mexico. Lightning has also committed to a pilot project in Oman. Lightning plans to commence new distribution in Mexico by the end of the Q2 of 2016 and in Oman by Q3 2016.

In the next 12 months, Lightning is planning to launch a combination sand filter gas diffuser. The new product will be rolled out in conjunction with Permian Production Equipment, Inc. ("**Permian**") who will act as a sales agent in Canada, the US and Latin America. Under the Permian Production Equipment agency agreement, significant milestones include completion of Lightning training Permian staff for installation and operation of the Lightning products and completing presentations to potential clients by the end of the Q2 2016.

Lightning plans to develop distributorship agreements with various suppliers whose products are complementary to Lightning products. One distributor agreement currently entered into is the agency agreements with Extreme Automation, which is a Lufkin distributor. The first milestone event that the Company and Extreme Automation will work towards is the completion of product presentations to Petróleos Mexicanos (Pemex) by the end of Q2.

In the next 12 months, the Company also has plans to develop its relationship with Tadhams, which is engaged in oil and gas water distribution services. Under a letter of intent and term sheet with the Company, Tadhams will be a revenue share partner with the Company under a proposed joint venture agreement to develop an oil and gas extraction water services business.

Lightning is also planning to modify its hot oil trailer to incorporate a self-contained electrical plant by the end of Q4 2016.

Components

Lightning's raw materials used in manufacturing come from a variety of sources with no single source providers. For the majority of Lightning's raw materials, the company has the ability to source from the lowest priced provider. Lightning has never experienced a work stoppage due to unavailability of materials.

Intangible Properties

On February 16, 2016 Lightning was assigned the patent on its Auto Loader design, registered on March 19, 2001 under the US Patent no. 6478089B2. The patent will revert to its original holders if Highmark does not acquire Lightning by May 16, 2016. The Auto Loader patent provides unique advantages over competition and is an important factor in promoting the product and protecting its market share.

Lightning also has a US patent application pending for a combination sand filter and gas diffuser.

Cycles

Lightning's business is consistent year round as there are no seasonal slowdowns. The slowest month of the year is generally December due to holidays and end of year budgets.

Economic Dependence

Lightning's principal clients are oil and natural gas exploration and production companies. Lightning does not depend on any one single client in order to maintain viability.

Employees

Lightning has 15 employees. There are two key employees, Lee Alves – President, and Kenny Shade - Vice-President. Each key employee can perform each other's duties; the loss of either individual would not have a material adverse effect on Lightning.

The following is a category breakdown of Lightning's 15 employees:

Area of Work	Number of Employees
Administrative	3
Welders	9
Machinists	3

Foreign Operations

Currently, less than 10% of Lightning's sales exist outside the US.

USE OF AVAILABLE FUNDS

The Company's consolidated pro forma financials as at December 31, 2015 show a positive net and comprehensive income. Following the Acquisition the Company anticipates having a consolidated working capital of \$52,910. See "Selected Financial Information - Pro Forma Financial Statements".

DIVIDENDS AND DISTRIBUTION

Lightning

Lightning has not declared or paid any cash dividends on its shares of common shares as at the date of the Information Circular. Lightning has no present intention to declare any dividends on its common shares. Any decision to pay dividends on the Common stock will be made by the board of directors of Lightning on the basis of its earnings, financial requirements and other conditions existing at such time.

The Company

The Company closed a plan of arrangement with MJ Bioscience and Highmark Technologies on January 29, 2015. Pursuant to the arrangement, the Company spun off certain assets to MJ Bioscience and Highmark Technologies and distributed all the shares in MJ Bioscience and Highmark Technologies to its shareholders on a pro rata basis as a return in paid up capital.

The Company has no present intention to declare any further dividends or distribution on its common shares upon completion of the Acquisition. Any decision to pay dividends on the common shares will be made by the Board on the basis of its earnings, financial requirements and other conditions existing at such time.

SELECTED FINANCIAL INFORMATION

Lightning's Selected Financial Information

The following is a summary of selected financial information in the financial statements of Lightning, attached as Schedule C and Schedule D to the Information Circular, for the fiscal years ended December 31, 2014, 2013, and 2012 and the nine months ended September 30, 2015, prepared in accordance with international financial reporting standards as issued by the International Accounting Standards Board, with figures express in US dollars.

	For the nine months ended September 30, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Total Revenues	1,569,268	1,125,391	787,329	1,080,725
Total operating expenses	272,072	275,809	223,965	230,724
Net loss and comprehensive loss	(50,510)	171,027	179,199	102,795
Net loss – basic and diluted	(25.26)	85.51	89.60	51.40
Total current assets	528,403	341,186	228,338	147,199
Total assets	1,707,403	1,581,420	1,413,309	1,379,879
Total current liabilities	669,306	783,714	472,141	332,840
Total liabilities	1,812,196	1,736,723	1,397,585	1,184,956
Shareholders' equity	(104,793)	(155,303)	15,724	194,923

The Company's Selected Financial Information

The Company hereby incorporates by reference into the Information Circular and its schedules its latest unaudited interim consolidated financial statements dated as of December 31, 2015 and for the audited financial statements for the year ended March 31, 2015, from which the information in the tables below is derived. The Company's financial statements are filed under the Company's profile on SEDAR at www.sedar.com and the financial data derived therefrom and included herein, are prepared in accordance with international financial reporting standards as issued by the International Accounting Standards Board and are reported in Canadian dollars.

	For the nine months ended December 31, 2015	For the year ended March 31, 2015
Total Revenues	Nil	Nil
Total operating expenses	120,743	1,592,548
Net loss and comprehensive loss	120,743	1,203,914
Net loss – basic and diluted	0.00	0.02

	For the nine months ended December 31, 2015	For the year ended March 31, 2015
Total current assets	55,927	57,986
Total assets	111,711	117,070
Total current liabilities	112,114	64,751
Total liabilities	112,114	64,751
Shareholders' equity	(403)	52,319

Pro Forma Financial Statements

The following is a summary of the information in the pro forma consolidated financial statements of the Company as at December 31, 2015, attached as Schedule E to the Information Circular, with figure express in Canadian dollars:

	Pro Forma Consolidated as at December 31, 2015
Revenue	1,977,219
Gross Profit	831,173
Cash and Cash Equivalents	244,248
Total operating expenses	463,543
Net and comprehensive income	68,836
Total current assets	834,330
Total assets	2,069,114
Total current liabilities	781,420
Total liabilities	1,924,310
Working Capital	52,910
Shareholders' equity	144,804

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lightning

Lightning's management's discussion and analysis is attached to the Information Circular as Schedule F and should be read in conjunction with the audited financial statements of Lightning for the nine months ended September 30, 2015, and the years ended December 31, 2014, 2013, and 2012 and the notes thereto which are attached to the Information Circular at Schedule D. All information presented in the management discussion and analysis for Lightning is presented in US dollars unless otherwise stated.

The Company

The Company hereby incorporates by reference into this Schedule B its latest management discussion and analysis dated as of February 29, 2016 for the interim period ended December 31, 2015 (the "**Company MD&A**"). The Company MD&A should be read together with the Company's combined interim financial statements for its interim period ended December 31, 2015, as amended, which along with the Company MD&A are filed under the Company's profile on SEDAR at www.sedar.com. The Company's interim financial statements for its interim period ended December 31, 2015, as amended, and the financial data derived therefrom and included in the Information Circular, are prepared in accordance with international financial reporting standards as issued by the International Accounting Standards Board and are reported in Canadian dollars.

CAPITAL STRUCTURE

Capital Structure of Lightning

Lightning's authorized share structure consists of 50,000 shares of common stock at a par value of USD\$1.00. Each share carries one vote and shareholders have a right of first refusal in the event of a transfer of shares. The table below sets forth the capitalization of Lightning as at the dates indicated.

Designation of Security	Authorized	Issued and Outstanding as of the date of this Circular
Common Shares	50,000	2,000 ⁽¹⁾⁽²⁾

Notes:

- (1) Following completion of the Acquisition, all of the outstanding shares in Lightning shall be transferred to the Company in exchange for 40,000,000 shares in the Company to be issued to Domenari.
- (2) Lightning does not have any convertible securities outstanding at the date of the Information Circular.

Capital Structure of the Company

The Company is authorized to issue an unlimited number of common shares without par value. The common shares have no special rights and restrictions attached. Each share carries one vote. The table below sets forth the capitalization of the Company on a non-diluted and fully-diluted basis before and after the completion of the Acquisition.

Designation of Security	Authorized	Outstanding as of the Date of the Information Circular	Outstanding as of the Date of the Information Circular on a fully diluted basis ⁽¹⁾	Outstanding after Completion of the Acquisition ⁽²⁾	Outstanding after Completion of the Acquisition on a fully diluted basis ⁽¹⁾⁽²⁾
Common Shares	Unlimited	58,490,428	62,079,528	98,490,428	102,079,528

Notes:

(1) Based on the exercise of 1,584,000 stock options and 2,005,100 warrants in the Company.

(2) Includes the Purchaser Shares to be issued to Domenari.

OPTIONS AND WARRANTS

Lightning

Lightning does not have any outstanding stock options or warrants exercisable for its common shares as of the date of the Information Circular.

The Company

As of the date of the Information Circular, the Company has a total of 1,584,000 outstanding stock options and 2,005,100 outstanding warrants. The following table sets out the unexercised stock options.

Name and Address of Optionee	Relationship to Company on Grant	No. of Optioned Shares	Exercise Price (\$)	Grant Date	Expiry Date
Marc Branson	Director/Officer	40,000	0.025	May 1, 2014	May 1, 2019
David Taylor	Director	200,000	0.025	May 1, 2014	May 1, 2019
Peter Schriber	Director	200,000	0.025	May 1, 2014	May 1, 2019
BridgeMark Financial Corp.	Consultant	144,000	0.025	May 1, 2014	May 1, 2019
R&R Consulting Inc.	Consultant	500,000	0.05	December 17, 2015	December 17, 2016
Marc Branson	Director/Officer	500,000	0.05	December 17, 2015	December 17, 2016

The following table sets out the Company's 2,005,100 warrants that are unexercised at the date of the Information Circular:

Number of Warrants	Exercise Price (\$)	Grant Date	Vesting	Expiration
647,900	0.15	December 30, 2014	Immediately	December 30, 2017
607,200	0.06	September 28, 2015	Immediately	September 28, 2016
750,000	0.075	March 4, 2016	Immediately	March 4, 2019

PRIOR SALES

Lightning

In the 12 months prior to the date of the Information Circular Lightning did not issue any new securities.

The Company

In the 12 months prior to the date of the Information Circular the following securities of the Company have been issued:

Date of Issue	Number of Common Shares	Price per Share (\$)	Aggregate Issue Price	Nature of Consideration
September 24, 2015	967,000	0.05	48,350	Cash ⁽¹⁾
November 4, 2015	960,000	0.025	24,000	Cash ⁽²⁾
March 4, 2016	700,000	0.05	35,000	Cash ⁽³⁾
Total	2,627,000		107,350	

Notes:

- (1) 352,000 common shares were issued to non-arm's length parties of the Company for cash; 240,000 common shares were issued for the settlement of debts owed to non-arm's length parties.
- (2) Common shares issued pursuant to the exercise of options by Marc Branson.
- (3) Common shares issued as part of a unit of the Company, where one unit consisted of one common share and one full share purchase warrant of the Company.

MARKET FOR THE SECURITIES

Lightning

No securities of Lightning are listed or traded on any exchange or quotation service.

The Company

The Company's common shares are listed on the CSE under the trading symbol "HMK", the Frankfurt Stock Exchange under the trading symbol "1HM" and the OTC Pink under the trading symbol "HMKTF".

Trading Price and Volume

The following table sets forth the high and low trading, closing price and volume of trades for the Company's common shares for the twelve months prior to the date of the Information Circular, as reported by the CSE:

Period	High (\$)	Low (\$)	Average Close (\$)	Volume
March 2015	0.055	0.02	0.045	790,400
April 2015	0.03	0.02	0.025	503,402
May 2015	0.02	0.01	0.014	681,876
June 2015	0.015	0.005	0.012	1,222,000
July 2015	0.05	0.005	0.017	5,242,703
August 2015	0.06	0.03	0.045	8,841,506
September 2015	0.055	0.04	0.046	8,208,500
October 2015	0.045	0.035	0.041	3,971,350
November 2015	0.04	0.02	0.027	6,484,000
December 2015	0.035	0.02	0.025	4,137,521
January 2016	0.03	0.015	0.022	2,089,186
February 2016	Halted trading ⁽¹⁾			
March 2016	Halted trading			

Notes:

(1) Trading of the Company's common shares on the CSE was halted in connection with the Acquisition on February 1, 2016.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO LOCK-UP

Lightning

Lightning has yet to enter into any stock restriction agreements. The Purchase Shares and Bonus Shares will be subject to restrictions as described on page 1 and 2 of this Schedule B.

The Company

The Company has entered into the following stock restriction agreements:

1. Stock Restriction Agreement with David Taylor dated April 29, 2014 for all his shareholdings in the Company upon the Company listing on the CSE;
2. Stock Restriction Agreement with Marc Branson dated April 29, 2014 for all his shareholdings in the Company upon the Company listing on the CSE; and

3. Stock Restriction Agreement with Peter Schriber dated April 29, 2014 for all his shareholdings in the Company upon the Company listing on the CSE.

Mr. Taylor, Mr. Branson and Mr. Schriber have agreed that until they either sell all the shares that are the subject of the stock restriction agreement, or 36 months from the date on which the Company's securities were listed on the CSE (whichever is earlier), they will not transfer or otherwise dispose of their restricted common shares without our prior written consent, except that such restriction will not apply to proportions of the shares vesting as follows:

Vesting Date	Proportion of Vested Shares
On the first day of the Company's common shares trading on the CSE, that being June 3, 2014	1/10 of the Stock
6 months after the Listing Date	1/6 of the remainder of the Stock
12 months after the Listing Date	1/5 of the remainder of the Stock
18 months after the Listing Date	1/4 of the remainder of the Stock
24 months after the Listing Date	1/3 of the remainder of the Stock
30 months after the Listing Date	1/2 of the remainder of the Stock
36 months after the Listing Date	The remainder of the Stock

provided however that such restrictions will not apply to a transfer of the shares:

- (a) to any of our directors, officers, employees or consultants;
- (b) to the Company, pursuant to a redemption initiated by the Company;
- (c) during the shareholder's lifetime or on the shareholder's death by will or intestacy to the shareholder's beneficiaries or a trust for the benefit of the shareholder's beneficiaries (for purposes of these stock restriction agreements, "beneficiary" means the shareholder and the immediate family of the shareholder, including any relation by blood, marriage or adoption and no remote than a first cousin); or
- (d) if the shareholder is an entity, a transfer made as a distribution solely to a member, partner, or stockholder of such shareholder

so long as the transferee executes a joinder to the Stock Restriction Agreement and any other agreements reasonably required of the Company, pursuant to which such transferee(s) agree to be bound by the terms and conditions of the Stock Restriction Agreement.

PRINCIPAL SHAREHOLDERS

Lightning

As of the date of the Information Circular, there were no persons owning directly or indirectly equity shares carrying more than 10% of the voting rights attached to all equity shares of the Lightning. The shareholdings of the directors of the Lightning are described in the table below.

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Domenari Capital LLC ⁽¹⁾⁽²⁾	2,000	100%

Notes:

- (1) Donald Rainwater, Kevin Nielson and Timothy Isaacs hold 33% of the shares in Domenari and are each considered a “control person” pursuant to NI 45-106.
(2) Domenari Capital LLC will transfer all of its shares in Lightning to the Company upon completion of the Acquisition.

The Company

As of the date of the Information Circular, there are no persons owning directly or indirectly equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company.

After giving effect to the Acquisition, the persons who are expected to own, directly or indirectly, equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company are described in the following table:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares ⁽¹⁾⁽²⁾
Domenari Capital LLC ⁽³⁾	40,000,000	41% (39%)

Notes:

- (1) Based on a total of 98,490,428 issued and outstanding common shares following completion of the Acquisition.
(2) Fully diluted shareholdings indicated in parenthesis, based on a total of 102,079,528 common shares (1,584,000 outstanding stock options, 2,005,100 warrants, 98,490,428 issued and outstanding common shares).
(3) Donald Rainwater, Kevin Nielson and Timothy Isaacs hold 33% of the shares in Domenari and are each considered a “control person” pursuant to NI 45-106.

DIRECTORS AND OFFICERS

Following the closing of the Acquisition, the proposed directors and officers of the Company will be as follows:

Name, Residence and Offices Held	Date Appointed	Principal Occupation, Business or Employment of the Last Five Years	Anticipated Common Shares Beneficially Owned or Controlled and Ownership Interest upon Completion of the Acquisition ⁽¹⁾
Donald Rainwater New Mexico, USA <i>President, CEO and a Director</i>	On Closing	CEO of Lightning; Director of POS Movil S.A.; and self-employed.	40,000,000 ⁽²⁾ (41%)

Name, Residence and Offices Held	Date Appointed	Principal Occupation, Business or Employment of the Last Five Years	Anticipated Common Shares Beneficially Owned or Controlled and Ownership Interest upon Completion of the Acquisition ⁽¹⁾
Marc Branson Vancouver, BC <i>VP of Corporate Development and a Director⁽³⁾</i>	On Closing	President, CEO & a Director of MJ Bioscience Corp., President, CEO & a Director of Highmark Technologies Corp., President, CEO & a Director of RedLion Resources Company; Vice-President of Beachhouse Capital Inc., principal of Bridgemark Capital Corp.; Managing Director of Raincity Manufacturing; President of Global Strategy Solutions.	4,505,000 (5%)
Kenneth Tollstam Vancouver, BC <i>Chief Financial Officer</i>	August 25, 2015	CFO of Highmark Marketing Inc., Transatlantic Mining Corp., and Pacific Potash Corporation; President and Chairman at Lonsdale Energy Corporation.	Nil
David Taylor Vancouver, BC <i>Director⁽³⁾</i>	April 2, 2014	A Director of MJ Bioscience Corp., a Director of Highmark Technologies Corp., a Director of Highmark International Marketing Inc., President of Capital Street Group Investment Services Inc.; a Director and President of Cardea Metals Company; Independent Director for Central Iron Ore Limited (CIO:TSX-V)	4,296,000 (4%)
Kevin Slichter Vancouver, BC <i>Director⁽³⁾</i>	Date of the Meeting	President of Chihuahua Capital Corp., a consulting company for venture and small cap companies; licensed stockbroker.	Nil

Notes:

- (1) Based on an anticipated total of 98,490,428 issued and outstanding common shares in the Company upon closing the Acquisition.
- (2) Common shares held by Domenari; Donald Rainwater owns 33% of Domenari.
- (3) Proposed member of the Company's Audit Committee following completion of the Acquisition.

Management Profiles

The following is a description of each proposed member of management of the Company following the closing of the Acquisition:

Donald Rainwater - President and CEO

Mr. Rainwater, 67, has over 30 years' experience serving as the CEO of international telecommunication and construction corporations. During his tenure as Chairman and President of GeoCommunications, Inc., Mr. Rainwater negotiated the first trans-border telephone concession granted by Mexico and oversaw the implementation of a nationwide satellite and microwave network. Subsequently, he established large wireless networks in Central America, the Philippines, and Malaysia. Mr. Rainwater also has extensive experience in the petroleum industry, which includes the successful introduction of new products and services into Mexico, Nigeria, and the United States.

He has conducted business in over 43 countries and has maintained key commercial and political contacts throughout the world. Mr. Rainwater holds a Bachelor of Business Administration degree from the University of Texas at Austin with post graduate work in business law.

Mr. Rainwater will devote 80% of this time to Company upon closing of the Acquisition.

Marc Branson - VP of Corporate Development and a Director

Marc Branson, 40, has over 10 years of experience in running companies and is involved in the design, manufacture and sale of retail products. He also has over 15 years' experience in corporate finance and consulting, and has acted as a director for several public companies.

From April 2114 to date, Mr. Branson has served as CEO and a Director of Highmark Marketing.

From November 2010 to date, Mr. Branson has served as CEO, President & a Director of RedLion Resources Company, a privately-held mineral exploration company that holds, through its wholly-owned subsidiary, mineral concessions covering 1,994 hectares in Bolivar, Colombia.

From 2013 to date, Mr. Branson has been a principal of Bridgemark Capital Corp., a financial consulting firm providing services in connection with developing financial strategies, undertaking capital raises and negotiating strategic partnerships. Bridgemark has an established international network of financial industry professionals including investment advisors, bank owned investment dealers and leading independent financial firms.

From 2007 to date, Mr. Branson has acted as Managing Director of Raincity Manufacturing, specializing in original equipment and original design manufacturing within the telecom industry. Raincity manufactures specialty telecom products and other consumer electronics. As well, Raincity provides research & development, engineering, design, and manufacturing services to a diverse set of international clients. Mr. Branson, as CEO, oversees product development, logistics and customer acquisition.

From 2007 to date, Mr. Branson has been President of Global Strategy Solutions, a management & consulting company focused on international management.

From February 2007 to March 2012, Mr. Branson served as a Director of Nitinat Minerals (TSXV:NZZ.V), a publicly traded mining exploration company with British Columbia mineral interests.

From 2003 to 2007, Mr. Branson was CEO, President & Co-Founder of Moto Ergonomics Ltd., involved in the design, manufacture and sale of telecommunication and specialty communications equipment. The customers of Moto Ergonomics included, but were not limited to, companies such as Future Shop, Best Buy, Costco, Bell Canada, Alliant, MTS, Sasktel & London Drugs.

Mr. Branson will devote 80% of his time to the Company upon closing of the Acquisition.

David Taylor - Director

David Taylor has acted as President of Capital Street Group Investment Services Inc. since 2007. Mr. Taylor provides consultation to public companies with regard to financing and has also advised foreign companies about market activities in Canada. Mr. Taylor has conducted investor relations activities and road shows.

From December 2011 to date, Mr. Taylor has acted as Director and President to Cardea Metals Company. He has been involved in advancing small scale copper-gold mines in Peru in preparation for production.

From January 2010 to October 2013, Mr. Taylor was an Independent Director for Central Iron Ore Limited (CIO.V), a company based in Perth, Australia. Mr. Taylor acted as the Canadian representative of the issuer and conducted liaison activities between the Australian issuer and Canadian regulators, primarily the BCSC. He also liaised with the TSXV and Canadian shareholders.

Mr. Taylor is 52 years old and devotes 10% of his time as is required of him in connection with role as Director and President of the Company.

Kevin Slichter – Director

Mr. Slichter has over 20 years' experience within the financial industry as a registered investment advisor and corporate consultant. He has worked with both public and private companies to develop their operations and structure financings, mainly in the resource and high tech sectors.

Mr. Slichter is presently the President of Chihuahua Capital Corp., a consulting company providing services related to strategic corporate development and finance for small cap and venture companies.

Kevin is also a director of Redlion Resources Company, a privately-held mineral exploration company that holds, through its wholly-owned subsidiary, mineral concessions covering 1,994 hectares in Bolivar, Colombia.

Mr. Slichter, 49, plans to devote 20% of his time to the Company.

Kenneth Tollstam - Chief Financial Officer

Mr. Kenneth Tollstam, CPA, CA has been the Chief Financial Officer of Highmark Marketing Inc. since September 2015. Mr. Tollstam has been Chief Financial Officer of Transatlantic Mining Corp. since July 4, 2014 and Pacific Potash Corporation since February 3, 2015. He serves as President and Chairman at Lonsdale Energy Corporation. He serves as Director and Chief Financial Officer of several private and publicly traded companies.

Mr. Tollstam spent a number of years at Deloitte Touche where he obtained his CA before going on to hold various Executive Management and Director of Finance positions throughout his career. He has been a Director of Verona Development Corp. since January 2016. He has been Independent Director of First Americas Gold Corporation since May 13, 2015 and Bravura Ventures Corp. since June 4, 2014.

Mr. Tollstam will devote 15% of his time to the Company upon closing of the Acquisition.

Cease Trade Orders

No promoter of the Company or Lightning, while acting in the capacity as director, chief executive officer or chief financial officer of any person or company, within 10 years before the date of the Information Circular, was:

- (a) subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the preceding paragraph, “order” means: (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, other than as described below.

Mr. Taylor, a director of the Company, was a director of Mediterranean Resources Ltd. (“**Mediterranean**”) from April 23, 2014 to May 23, 2014. Mr. Taylor also served as interim CEO for Mediterranean from May 6, 2014 to May 23, 2014. Mediterranean was the subject of a cease trade order (the “**CTO**”) issued by the British Columbia Securities Commission (the “**BCSC**”) on May 2, 2014, and the Ontario Securities Commission (the “**OSC**”) on May 20, 2014, for failing to late filing of its financial statements, management’s discussion and analysis, annual information form and related certifications for the year ended December 31, 2013. The filing deadlines were missed while Mr. Taylor served as a director of Mediterranean. Mediterranean filed the necessary documents on its SEDAR profile on May 30, 2014 and the BCSC and OSC CTOs were subsequently lifted on June 3, 2014 and August 1, 2014, respectively.

Mr. Taylor is a director and Mr. Branson is a director and CEO of Highmark Technologies Corp. and MJ Bioscience Corp. Both companies were issued cease trade orders on March 8, 2016 by the BCSC and March 11, 2016 by the OSC for failure to file audited financial statements, management’s discussion and analysis, annual information form and related certifications for the year ended October 31, 2015.

Bankruptcies and Penalties or Sanctions

No promoter referred to above, within 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

No promoter of the Company or Lightning has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts Of Interest

Certain of the Company’s and Lightning’s proposed directors and officers are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with *Business Corporations Act* (British Columbia), directors who have a material interest in any person who is a party to

a material contract or proposed material contract with the Company or its subsidiaries are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the Company's best interests.

EXECUTIVE COMPENSATION

Lightning

At no time prior to the date of the Information Circular was Lightning a reporting issuer for the purposes of Canadian securities laws.

Executive Compensation Table

No compensation was paid and no stock options were issued to any of the Lightning's executive officers as of the fiscal years ended December 31, 2014 and 2013 as of the nine months ended September 30, 2015, other than as disclosed in the table below.

Name and principal position	Year	Salary (\$)
Donald Rainwater, CEO ⁽¹⁾	2015 ⁽²⁾	22,620
	2014	5,000
	2013	Nil
Lee Alves, President	2015 ⁽²⁾	63,750
	2014	85,000
	2013	Nil
Kenny Shade, Vice President	2015 ⁽²⁾	56,250
	2014	75,000
	2013	64,350
Timothy E. Isaacs, Secretary, Treasurer	2015 ⁽²⁾	63,750
	2014	85,000
	2013	Nil

Notes:

(1) Compensation was paid to Rainwater Investments, a private company owned by Mr. Rainwater.

(2) For the nine months ending September 30, 2015.

Director Compensation

No compensation was paid and no stock options were issued to any of Lightning's directors as of December 31, 2014, the Company's most recently completed year end, or as of the nine months ended September 30, 2015.

The Company

See "Statement of Executive Compensation" on page 5 of the Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

No director or executive officer of Lightning is indebted to Lightning.

No director or executive officer of the Company is indebted to the Company.

PROMOTERS

Upon completion of the Acquisition, the following persons are considered to be a “promoter” of the Company as that term is defined in the *Securities Act* (British Columbia). None of the promoters has received anything of value from the Company or has any entitlement to receive anything of value except as set forth below and elsewhere in the Information Circular.

Security Holder	Number of Common Shares Held	Number of Options Held	Number of Warrants Held	Percentage of Issued and Outstanding Securities following the Acquisition ⁽¹⁾
Marc Branson	3,789,000	540,000	176,000	5%
David Taylor	3,920,000	200,000	176,000	4%
Peter Schriber	2,000,000	200,000	Nil	2%
Total	9,709,000	940,000	352,000	11%

Notes:

- (1) Based on an anticipated total of 98,490,428 issued and outstanding common shares in the Company upon closing the Acquisition.

See “Interest of Management of Lightning and Others In Material Transactions” below for details concerning any property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from Lightning or from a subsidiary of Lightning, and any assets, services or other consideration received or to be received by Lightning or a subsidiary of Lightning in return.

No asset has been acquired, within the two years before the date of the Information Circular, or is to be acquired by the Company or by Lightning, from a promoter, aside from the assignment of the Lightning Auto Loader patent from Lee Alves and Kenneth Shade to Lightning on February 16, 2016. See “Business Of Lightning Industries – Intangible Properties”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of the date of the Information Circular, the Company is not a party to any material legal proceedings or any regulatory actions. The Company does not contemplate any material legal proceedings and is not aware of any material legal proceedings to be contemplated against it.

The Company’s management knows of no legal proceedings, contemplated or actual, involving Lightning, which could materially affect Lightning.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Unless otherwise disclosed in the Information Circular and the schedules attached thereto, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company’s inception, which has materially affected or will materially affect the

Company or any of its subsidiaries, other than as disclosed by the Company since inception or as disclosed herein.

MATERIAL CONTRACTS

Lightning

Lightning is a party to the following material contracts:

- (a) Share Exchange Agreement between Highmark Marketing Inc., Domenari Capital LLC and Lightning, entered into February 1, 2016, setting out the terms for the acquisition of Lightning by Highmark Marketing Inc. for a purchase price of 40,000,000 common shares in Highmark Marketing Inc.;
- (b) Distributor Agreement between Lightning and Permian Production Equipment dated January 12, 2016 appointing Permian Production Equipment as an agent for sales of Sand Separators and Scrubber Pots in Canada, USA and Latin America; and
- (c) Distributor Agreement between Lightning and Tadhams dated February 1, 2016 appointing Tadhams as agent for the sales of Lightning Auto Loaders in Mexico. Donald Rainwater is a "control person" of Tadhams, as it is defined in NI 45-106, and is deemed to have a material interest in the Tadhams distribution agreement.

The Company

Aside from the Share Exchange Agreement, the only material contract the Company is a party to is the following:

- (a) Investor Relations agreement entered into on December 14, 2015 with R & R Consulting Inc. for the consideration of 500,000 stock options. Terms of the options are they may be exercised for a period of 12 months from the grant date, unless the Agreement is terminated by either party at an earlier date, at an exercise price of \$0.05 per common share.

AUDITORS

Charlton and Company, Chartered Accountants, of 1735 – 555 Burrard Street, Vancouver, BC V7X 1M9 are the auditors of the Company.

RPC CPAs + Consultants, LLP, of 2700 San Pedro Northeast (87110-3333), Post Office Box 3130 Albuquerque, NM 87190-3130 are the auditors of Lightning.

TRANSFER AGENTS AND REGISTRARS

The Company has appointed Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3B9 as the transfer agent and registrar for the common shares.

INTEREST OF EXPERTS

RPC CPAs + Consultants, LLP and Charlton and Company, Chartered Accountants are independent in accordance with the Rules of Professional Conduct as outlined the American Institute of Certified Public Accountants.

As of the date of the Information Circular, to management's knowledge, none of RPC CPAs + Consultants, LLP or Charlton and Company, Chartered Accountants holds or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of Lightning or the Company, or of any associate or affiliate of Lightning or the Company, respectively.

RISK FACTORS

Risks Relating to Lightning's Business

The risk factors of Lightning will become the risk factors of the Company upon closing of the Acquisition.

Changes in the level of capital-spending by Lightning's customers could materially and adversely impact Lightning's business and financial condition.

Lightning's principal customers are oil and natural gas exploration and production companies. Lightning's results of operations and financial condition depend on the level of capital spending by its customers. The energy industry's level of capital spending is tied to the prevailing commodity prices of natural gas and crude oil. Low commodity prices have the potential to reduce the amount of crude oil and natural gas that Lightning's customers can economically produce, and volatility in commodity prices may make Lightning's customers reluctant to invest in oilfields where Lightning's products would be used. Although Lightning's products can enhance the operational efficiency of producing wells, a prolonged or substantial downturn in market price could lead to reductions or delays in the capital spending of Lightning's clients and therefore reduce the demand for Lightning's products and services, which could materially and adversely impact Lightning's results of operations, financial condition and cash flow.

Lightning's business depends on spending by the oil and gas industry; this spending and its business may be materially and adversely affected by industry conditions that are beyond its control.

Lightning depends on its customers' willingness to make operating and capital expenditures to transport, refine and produce oil and natural gas. Industry conditions are influenced by numerous factors over which Lightning has no control, such as:

- the level of oil and gas production;
- the demand for oil and gas related products;
- domestic and worldwide economic conditions;
- political instability in the Middle East and other oil producing regions;
- the actions of the Organization of Petroleum Exporting Countries;
- the price of foreign imports of oil and gas, including liquefied natural gas;
- natural disasters or weather conditions, such as hurricanes;
- technological advances affecting energy consumption;
- the level of oil and gas inventories;
- the cost of producing oil and gas;
- the price and availability of alternative fuels;
- merger and divestiture activity among oil and gas producers; and
- governmental regulations.

The volatility of the oil and gas industry and the consequent impact on the transportation, refinement and production of oil and natural gas could cause a decline in the demand for Lightning's products and services, which could have a material adverse effect on its business.

Changes in the dependence on crude oil and natural gas as major energy sources worldwide could materially and adversely impact Lightning's business and financial condition.

Lightning's principal customers are oil and natural gas exploration and production companies. If new energy sources are further developed and adopted, Lightning's principal customers could experience a decline in demand for their products. If demand for customer products decreases, the business and financial condition of Lightning's customers could be materially and adversely impacted. Significant negative financial impact of Lightning's customers could reduce the demand for Lightning's products and services, which could have a material adverse effect on Lightning's business.

Lightning's assets and operations, as well as the assets and operations of Lightning's customers, could be adversely affected by weather and other natural phenomena.

Lightning's assets and operations could be adversely affected by natural phenomena, such as tornados, earthquakes, wildfire, and landslides. A significant disruption in Lightning's operations or the operations of Lightning's customers due to weather or other natural phenomena could adversely affect Lightning's business and financial condition.

The attractive nature of the oilfield services industry could lead to an increase of direct competitors.

The oilfield services industry is highly competitive. As Lightning's segment within the oil and gas exploration and production industry grows and matures it expects additional companies will seek to enter this market. New entrants to Lightning's industry may be more highly capitalized, more experienced, better recognized or better situated to take advantage of market opportunities. Any failure by Lightning to adequately compete against current and future competitors could have a material adverse effect on Lightning's business, financial condition and results of operations.

Lightning's proposed business growth strategies incorporate Lightning's management's current analysis of potential markets, opportunities and difficulties that it faces.

Lightning cannot assure any party that its underlying assumptions accurately reflect current trends and conditions in Lightning's industry or that Lightning's current business strategy will be successful. Lightning's business strategies may change substantially from time to time or may be abandoned as Lightning's management reassesses opportunities and reallocates resources. If Lightning is unable to develop or implement Lightning's strategies, we may not operate profitably in future periods.

Lightning's operations involve operating hazards, which, if not insured or indemnified against, could harm Lightning's results of operations and financial condition.

Lightning's operations are subject to hazards inherent in Lightning's technology's use in oilfield service operations, oilfield development and oil production activities, including fire, explosions, blowouts, spills and damage or loss from natural disasters, each of which could result in substantial damage to the oil-producing formations and oil wells, production facilities, other property, equipment and the environment or in personal injury or loss of life. These hazards could also result in the suspension of purchasing or in claims by employees, customers or third parties which could have a material adverse effect on Lightning's financial condition.

Some of these risks are either not insurable or insurance is available only at rates that we consider uneconomical. Although we will maintain liability insurance in an amount that we consider consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits. We may not always be successful in obtaining contractual indemnification from Lightning's customers, and customers who provide contractual indemnification protection may not maintain adequate insurance or otherwise have the financial resources necessary to support their indemnification obligations. Lightning's insurance or indemnification arrangements may not adequately protect us against liability or loss from all the hazards of Lightning's operations. The occurrence of a significant event that we have not fully insured or

indemnified against or the failure of a customer to meet its indemnification obligations to us could materially and adversely affect Lightning's results of operations and financial condition.

Changes to governmental regulation of the oil and gas industry could materially and adversely affect Lightning's business.

If the laws and regulations governing oil and natural gas exploration and production were to become less stringent, we could experience a significant decline in the demand for Lightning's products, which we would expect would materially and adversely impact Lightning's results of operations and financial condition. These regulations are subject to change and new regulations may curtail or eliminate customer activities in certain areas where we currently operate. We cannot determine the extent to which new legislation may impact customer activity levels, and ultimately, the demand for Lightning's products and services.

Further, Lightning's operations are affected by local, provincial, state, federal and foreign laws and other regulations relating to oil, gas and electric standards. Such standards can be related to safety, environmental protection, or other regulatory dimensions for the oil and gas industry. We cannot predict the level of enforcement of existing laws and regulations, how such existing laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on us, Lightning's business or financial condition.

Anti-fracking regulations could have a material adverse impact on Lightning's business or financial condition.

Certain states and municipalities have regulated, or are considering regulating, hydraulic fracturing ("fracking"), which, if accomplished, could impact some of Lightning's customers and their operations. While Lightning does not believe that these fracking related regulations or considerations of future related regulations negatively impacted Lightning's activities to date, there can be no assurance that these actions, if taken on a wider scale, may not have a material adverse effect on Lightning's business or financial condition.

Lightning's international operations involve additional risks not associated with Lightning's domestic operations.

Lightning intends to continue Lightning's expansion into international oil and gas producing areas. The effect on Lightning's international operations from the risks it describe will not be the same in all countries and jurisdictions. Risks associated with Lightning's operations outside of the United States include risks of:

- multiple, conflicting, and changing laws and regulations, export and import restrictions, and employment laws;
- regulatory requirements, and other government approvals, permits, and licenses;
- potentially adverse tax consequences;
- political and economic instability, including wars and acts of terrorism, political unrest, boycotts, curtailments of trade and
- sanctions, and other business restrictions;
- expropriation, confiscation or nationalization of assets;
- renegotiation or nullification of existing contracts;
- difficulties and costs in recruiting and retaining individuals skilled in international business operations;
- foreign exchange restrictions;
- foreign currency fluctuations;
- foreign taxation;

- the inability to repatriate earnings or capital;
- changing foreign and domestic monetary policies;
- cultural and communication challenges;
- industry-process differences;
- regional economic downturns; and
- foreign governmental regulations favouring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction that may harm Lightning's ability to compete.

Lightning's business has potential liability for litigation, personal injury and property damage claims assessments.

Most of Lightning's products are used in hazardous production applications and involve exposure to inherent risks, including explosions and fires, where an accident or a failure of a product could result in liability for personal injury, loss of life, property damage, pollution or other environmental hazards or loss of production. Litigation may arise from a catastrophic occurrence at a location where Lightning's equipment and services are used. This litigation could result in large claims for damages, including consequential damages, and could impair the market's acceptance of Lightning's products. The frequency and severity of such incidents could affect Lightning's operating costs, insurability and relationships with customers, employees and regulators. These occurrences could have an adverse effect on Lightning's business.

Lightning's business may be subject to product liability claims or product recalls, which could be expensive and could result in a diversion of management's attention.

The oil industry experiences significant product liability claims. As an installer and servicer of oilfield combustion management technologies and related products, Lightning faces an inherent business risk of exposure to product liability claims in the event that Lightning's products, or the equipment into which Lightning's products are incorporated, could malfunction and result in personal injury or death. Lightning may be named in product liability claims even if there is no evidence that Lightning's technology, products or services caused or contributed to the accidents. Product liability claims could result in significant losses as a result of expenses incurred in defending claims or the award of damages. In addition, Lightning may be required to participate in recalls involving its products if any of its products prove to be defective, or Lightning may voluntarily initiate a recall or make payments related to such claims as a result of various industry or business practices or the need to maintain good customer relationships. Lightning cannot assure you that Lightning's product liability insurance will be sufficient to cover all product liability claims, that such claims will not exceed Lightning's insurance coverage limits or that such insurance will continue to be available on commercially reasonable terms, if at all. Any product liability claim brought against us could have a material adverse effect on Lightning's reputation and business.

Uninsured or underinsured claims or litigation or an increase in Lightning's insurance premiums could adversely impact Lightning's results of operations.

Although Lightning maintains insurance protection for certain risks in Lightning's business and operations, Lightning is not fully insured against all possible risks, nor are all such risks insurable. It is possible an unexpected judgment could be rendered against us in cases in which Lightning could be uninsured or underinsured and beyond the amounts it currently has reserved or anticipate incurring. Significant increases in the cost of insurance and more restrictive coverage may have an adverse impact on Lightning's results of operations. In addition, Lightning may not be able to maintain adequate insurance in the future at rates Lightning considers reasonable or that its insurance coverage will be adequate to cover future claims and assessments that may arise.

Liability to customers under warranties may materially and adversely affect Lightning's earnings.

Lightning provides warranties as to the proper operation and conformance to specifications of the products it sells. Failure of Lightning's products to operate properly or to meet specifications may increase Lightning's costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a customer. Lightning has in the past received warranty claims, and it expects to continue to receive them in the future. To the extent that Lightning incurs substantial warranty claims in any period, Lightning's reputation, Lightning's ability to obtain future business and Lightning's earnings could be adversely affected.

Lightning is exposed to risks of delay, cancellation, and nonpayment by customers in the ordinary course of its business activities.

Lightning is exposed to risks of loss in the event of delay, cancellation, and nonpayment by Lightning's customers. Lightning's customers are subject to their own operating and regulatory risks and may be highly leveraged. Lightning may experience financial losses in its dealings with other parties. Any delay and any increases in the cancellation of contracts or nonpayment by Lightning's customers and/or counterparties could adversely affect Lightning's results of operations and financial condition.

Lightning's ability to successfully commercialize its technology and products may be materially adversely affected if it is unable to obtain and maintain effective intellectual property rights for Lightning's technologies and planned products, or if the scope of the intellectual property protection is not sufficiently broad.

Lightning's success depends in part on Lightning's ability to obtain and maintain patent and other intellectual property protection with respect to Lightning's proprietary technology and products. In recent years patent rights have been the subject of significant litigation. As a result, the issuance, scope, validity, enforceability and commercial value of the patent rights is highly uncertain. Pending and future patent applications may not result in patents being issued which protect Lightning's technology or products or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the same, especially in jurisdictions which Lightning hopes to secure protection, may diminish the value of patents or narrow the scope of patent protection. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications, in the U.S. and other jurisdictions, are typically not published until 18 months after filing, or in some cases not at all. Therefore, Lightning cannot be certain that it was the first to make the inventions claimed in Lightning's patents or pending patent applications, or that it is or was the first to file for patent protection of such inventions. Even if the patent applications we rely on issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Lightning's competitors may be able to circumvent Lightning's patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and patents may be challenged in the courts or patent offices in the U.S. and abroad. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit Lightning's ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of Lightning's technology and products. As a result, Lightning's patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours or otherwise provide us with a competitive advantage.

While Lightning is not currently engaged in any material intellectual property litigation, in the future Lightning may commence lawsuits against others if it believes they have infringed Lightning's rights. Lightning cannot be assured that it would be successful in any such litigation. Lightning's involvement in any intellectual property litigation could require the expenditure of substantial time and other resources, may adversely affect the development of sales of Lightning's products or intellectual property, Lightning's

capital resources, or may divert the efforts of Lightning's technical and management personnel, and could have a material adverse effect on Lightning's business, results of operations and financial condition.

Lightning may not be able to protect or enforce its intellectual property rights throughout the world.

Filing, prosecuting and defending patents on all of Lightning's products throughout the world would be prohibitively expensive to us. Competitors may use Lightning's technologies in jurisdictions where Lightning has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where Lightning has patent protection but where enforcement is not as strong as in the U.S. These products may compete with Lightning's products in jurisdictions where Lightning does not have any issued patents, and Lightning's intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries may not favour the enforcement of patents and other intellectual property protection, which could make it difficult for Lightning to stop the infringement of any patents or marketing of competing products in violation of Lightning's proprietary rights generally. Proceedings to enforce any patent rights in foreign jurisdictions could result in substantial cost and divert Lightning's efforts and attention from other aspects of Lightning's business.

If Lightning is unable to protect the confidentiality of Lightning's trade secrets, the value of Lightning's technology could be materially adversely affected, harming Lightning's business and competitive position.

Some of Lightning's proprietary intellectual property is not protected by any patent, copyright or patent or copyright applications, and, despite Lightning's precautions, it may be possible for third parties to obtain and use such intellectual property without authorization. Lightning relies upon confidential proprietary information, including trade secrets, unpatented know-how, technology, software, and other proprietary information, to develop and maintain Lightning's competitive position. Any disclosure to or misappropriation by third parties of Lightning's confidential proprietary information could enable competitors to quickly duplicate or surpass Lightning's technological achievements, thus eroding Lightning's competitive position in the market. Lightning seeks to protect Lightning's confidential proprietary information, in part, by confidentiality agreements with Lightning's employees and Lightning's collaborators and consultants. Further, Lightning's trade secrets could be disclosed, misappropriated or otherwise become known or be independently discovered by Lightning's competitors. In addition, intellectual property laws in foreign countries may not protect trade secrets and confidential information to the same extent as the laws of the U.S. If Lightning is unable to prevent disclosure of the intellectual property related to Lightning's technologies to third parties, Lightning may not be able to establish or maintain a competitive advantage in Lightning's market, which would harm Lightning's ability to protect Lightning's rights and have a material adverse effect on Lightning's business.

If Lightning does not develop and commercialize new competitive products, Lightning's revenue may decline.

To remain competitive in the market for oilfield combustion management technologies, Lightning must continue to develop and commercialize new products. If Lightning is not able to develop commercially competitive products in a timely manner in response to industry demands, Lightning's business and revenues will be adversely affected. Lightning's future ability to develop new products depends on Lightning's ability to:

- design and commercially produce products that meet the needs of Lightning's customers;
- attract and retain talented research-and-development management and personnel;
- successfully market new products; and
- protect Lightning's proprietary designs from Lightning's competitors.

Lightning may encounter resource constraints or technical or other difficulties that could delay introduction of new products and services. Lightning's competitors may introduce new products before Lightning does and achieve a competitive advantage.

Additionally, the time and expense invested in product development may not result in commercial products or provide revenues. Lightning could be required to write off its entire investment in a new product that does not reach commercial viability. Moreover, Lightning may experience operating losses after new products are introduced and commercialized because of high start-up costs, unexpected manufacturing costs or problems, or lack of demand.

New technologies could render Lightning's existing products obsolete.

New developments in technology may negatively affect the development or sale of some or all of Lightning's products or make Lightning's products obsolete. Lightning's success depends upon Lightning's ability to design, develop and market new or modified combustion management technologies and related products. Lightning's inability to enhance existing products in a timely manner or to develop and introduce new products that incorporate new technologies, conform to stringent regulatory standards and performance requirements and achieve market acceptance in a timely manner could negatively impact Lightning's competitive position. New product development or modification is costly, involves significant research, development, time and expense and may not necessarily result in the successful commercialization of any new products.

Lightning's business and financial condition could be negatively impacted if it loses the services of certain members of senior management.

Lightning's development to date has depended, and in the future will continue to depend, on the efforts of Lightning's senior management. Future departures by members of Lightning's senior management could have a negative impact on Lightning's business, as it may not be able to find suitable personnel to replace departing members on a timely basis or at all. The loss of any member of Lightning's senior management could impair Lightning's ability to execute Lightning's business plan and could therefore have a material adverse effect on Lightning's business, results of operations and financial condition.

Failing to attract and retain skilled employees could impair Lightning's growth potential and profitability.

Lightning's ability to remain productive and profitable depends substantially on Lightning's ability to attract and retain skilled employees. Lightning's ability to expand Lightning's operations is in part impacted by Lightning's ability to increase Lightning's labor force. The demand for skilled oilfield employees is high and the supply is limited. A significant increase in the wages paid by competing employers could result in a reduction in Lightning's skilled labor force, increases in the wage rates paid by us, or both. If either of these events were to occur, Lightning's capacity and profitability could be diminished, and Lightning's growth potential could be impaired.

If Lightning is unable to expand into new markets, its ability to grow its business could be materially and adversely effected.

As market conditions improve, Lightning intends to continue to pursue a growth strategy. Future operating results will depend largely upon Lightning's ability to expand to new markets and increase sales. To support this growth, Lightning will expand its marketing expenditures, add new employees and open additional offices. There can be no assurance that Lightning will be able to expand its market share in Lightning's existing markets or successfully enter new or contiguous markets. Nor can there be any assurance that such expansion will not adversely affect Lightning's profitability and results of operations.

If Lightning is unable to enter into new markets, Lightning's business, results of operations, financial condition and cash flow could be materially and adversely affected.

If Lightning is unable to manage growth effectively, Lightning's business, results of operations and financial condition could be materially and adversely affected.

Lightning's ability to successfully expand to new markets, or grow its penetration in existing markets, depends on a number of factors including:

- Lightning's ability to market its products and services to new customers;
- Lightning's ability to provide increasingly large-scale support and training materials for a growing customer base;
- Lightning's ability to hire, train and assimilate new employees;
- the adequacy of Lightning's financial resources; and
- Lightning's ability to correctly identify and exploit new geographical markets and to successfully compete in those markets.

There can be no assurance that Lightning will be able to achieve its planned expansion, that Lightning's products will gain access to new markets or be accepted in new marketplaces, achieve greater market penetration in existing markets or that Lightning will achieve planned operating results or results comparable to those it experiences in existing markets and in the new markets it enters.

Risks Relating to the Company's Business

In addition to the risk factors associated with Lightning, the following are risk factors related to the Company's business generally.

The Company may not realize all of the anticipated benefits of its acquisitions, joint ventures or divestitures, or these benefits may take longer to realize than expected.

The Company's future business strategies for targeting businesses related to Lightning may include the acquisitions (inclusive of joint ventures, such as its proposed business with Tatham) or divestitures with other businesses. The Company may not be able to identify attractive acquisition opportunities or successfully acquire those opportunities that are identified. The possibility exists that even if there is success in integrating future acquisitions into existing operations, the Company may not derive the benefits, such as administrative or operational synergy or earnings obtained, that were expected from such acquisitions, which may result in the commitment of capital resources without the expected returns on the capital. The competition for acquisition opportunities may increase which in turn would increase the Company's cost of making acquisitions. In pursuing the Company's business strategy, from time to time the Company will evaluate targets and enter into agreements regarding possible acquisitions. To be successful, the Company will conduct due diligence to identify valuation issues and potential loss contingencies, negotiate transaction terms, complete transactions and manage post-closing matters such as the integration of acquired businesses. The Company may incur unanticipated costs or expenses following a completed acquisition, including post-closing asset impairment charges, expenses associated with eliminating duplicate facilities, litigation, and other liabilities.

The risks associated with the Company's future acquisitions, joint ventures or divestitures also include the following:

- the business culture of the acquired business may not match well with the Company's culture;
- the Company may fail to retain, motivate and integrate key management and other employees of the acquired business;

- the Company may experience problems in retaining customers and integrating customer bases; and
- the Company may experience complexities associated with managing the combined businesses and consolidating multiple physical locations.

There can be no assurance as to the extent to which the anticipated benefits of these acquisitions will be realized, if at all, or that significant time and costs beyond those anticipated will not be required with the integration of new acquisitions to the existing business. If the Company is unable to accomplish the integration and management successfully, or achieve a substantial portion of the anticipated benefits of these acquisitions within the time frames anticipated by management, it could have a material adverse effect on Lightning's business and financial condition.

Many of these factors will be outside of the Company's control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and attention. They may also delay the realization of the benefits the Company anticipates when entering into a transaction. Failure to implement the Company's acquisition strategy, including successfully integrating acquired businesses, could have material adverse effect on the Company's business and financial condition.

The Company's stock options and other equity-based awards to employees may not have their intended effect.

A portion of the Company's total compensation program for key personnel has historically included awards of options to buy the Company's common shares or other equity-based awards. If the price of the Company's common shares performs poorly, such performance may adversely affect the Company's ability to retain or attract critical personnel. In addition, any changes made to the Company's equity compensation policies, or to any other of the Company's compensation practices, which are made necessary by governmental regulations or competitive pressures could affect the Company's ability to retain and motivate existing personnel and recruit new personnel.

Risks Relating to the Company's Common Shares

The Company's common shares lack liquidity.

A significant percentage of the Company's outstanding common shares are "restricted" and therefore subject to the resale restrictions permitted by applicable securities laws and policies. These factors could adversely affect the liquidity, trading volume, price and transferability of the Company's common shares.

The market price of the Company's common shares has been and may continue to be volatile.

The market price of the Company's common shares has been volatile, and fluctuates widely in price in response to various factors which are beyond the Company's control. The price of the Company's common shares is not necessarily indicative of Lightning's operating performance or long-term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company's common shares. Factors such as the following could cause the market price of the Company's common shares to fluctuate substantially:

- the underlying price of the commodities in the oil and gas industry;
- announcements of capital budget changes by a major customer;
- the introduction of new products by the Company's competitors;
- announcements of technology advances by us or the Company's competitors;

- current events affecting the political and economic environment in the United States or Canada;
- conditions or trends in the industry, including demand for Lightning's products and services and technological advances;
- changes to financial estimates by us or by any securities analysts who might cover the Company's shares;
- additions or departures of the Company's key personnel;
- government regulation of Lightning's industry;
- seasonal, economic, or financial conditions;
- the Company's quarterly operating and financial results; or
- litigation or public concern about the safety of the Company's products.

The realization of any of these risks and other factors beyond the Company's control could cause the market price of the Company's common shares to decline significantly. In particular, the market price of the Company's common shares may be influenced by variations in oil and gas prices, because demand for Lightning's products and services is closely related to those products.

The stock market in general experiences, from time to time, extreme price and volume fluctuations. Periodic and/or continuous market fluctuations could result in extreme volatility in the price of the Company's common shares, which could cause a decline in the value of Lightning's common shares. Price volatility may be worse if the trading volume of the Company's common shares are low.

The Company's existing shareholders could experience further dilution if it elects to raise equity capital to meet its liquidity needs or to finance strategic transactions.

As part of the Company's future growth strategy, it may desire to raise capital and or utilize its common shares to effect strategic business transactions, either of which will likely require that the Company issues equity (or debt) securities which would result in dilution to its existing shareholders. Although the Company anticipates attempting to minimize the dilutive impact of any future capital-raising activities or business transactions, the Company cannot offer any assurance that it will be effectively able to do so.

Future sales of the Company's common shares, or the perception that future sales may occur, may cause the market price of the Company's common shares to decline, even if its business is doing well.

If any significant number of the Company's outstanding common shares is sold, such sales could have a depressive effect on the market price of the Company's common shares. The Company is unable to predict the effect, if any, that the sale of shares, or the availability of shares for future sale, will have on the market price of the shares prevailing from time to time. Sales of substantial amounts of shares in the public market, or the perception that such sales could occur, could depress prevailing market prices for the shares. Such sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price, which the Company deems appropriate.

The Company does not anticipate paying cash dividends for the foreseeable future, and therefore investors should not buy the Company's common shares if they wish to receive cash dividends.

The Company currently intends to retain its future earnings to support operations and to finance expansion and, therefore, it does not anticipate paying any cash dividends on the Company's common shares in the foreseeable future. Any payment of cash dividends in the future will be dependent on the amount of funds legally available, the Company's earnings, financial condition, capital requirements and other factors that the Company's Board may deem relevant. Accordingly, investors must rely on sales of their common shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase Lightning's

common shares. Accordingly, you will need to rely on sales of your common shares after price appreciation, which may never occur, in order to realize a return on your investment.

The Company's management has a substantial ownership interest in its common shares and the availability of Lightning's common shares to the investing public may be limited.

The availability of the Company's common shares to the investing public may be limited to those shares not held by the Company's executive officers, directors and their affiliates, which could negatively impact its trading prices and affect the ability of its minority shareholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a portion of their shares could also negatively affect the trading price of the Company's common shares.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company's shareholders may contact the Company at its registered offices at Suite 1820, 925 West Georgia Street, V6C 3L2 to request copies of the Company's financial statements and MD&A or a copy of the Information Circular.

FINANCIAL STATEMENTS

The financial statements of the Company are available for review on SEDAR.

The financial statements of Lightning which form part of the Information Circular are attached thereto as follows:

- | | |
|--------------------------|--|
| <i>Schedule C</i> | Audited financial statements of Lightning for the fiscal years ended December 31, 2012, 2013 and 2014; |
| <i>Schedule D</i> | Auditor reviewed financial statements of Lightning for the nine months ended September 30, 2015; and |
| <i>Schedule E</i> | Management prepared pro forma statement of financial position of the Company as at December 31, 2015. |

SCHEDULE C

Financial Statements of Lightning Industries Inc. as at 31 December 2014, 2013 and 2012

[Inserted as Pages Following]

Lightning Industries, Inc.

Financial Statements

31 December 2014, 2013 and 2012

Lightning Industries, Inc.

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Supplemental Schedule	
Schedule of Operating Expenses	17
Country of incorporation of parent company:	The United States of America
Legal form:	Corporation
Principal activities:	The nature of the entities operations and its principal activities are set out in note A
Directors:	Don Rainwater Ken Shade Lee Alves

Independent Auditors' Report

To the Owners and Management of
Lightning Industries, Inc.
Hobbs, NM

We have audited the accompanying financial statements of Lightning Industries, Inc. (the Company), which comprise the statements of financial position as of 31 December 2014, 2013 and 2012, and the related statements of profit or loss and changes in equity, and cash flows for each of the years then ended, and the related notes to the financial statements.

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, International Accounting Standards and Interpretations (collectively IFRSs); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 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 company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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.

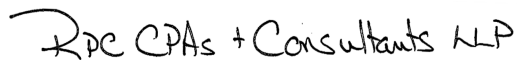
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lightning Industries, Inc. as of 31 December 2014, 2013 and 2012, in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

As discussed in Note N, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



RPC CPAs + Consultants, LLP

Albuquerque, New Mexico

25 January 2016

Lightning Industries, Inc.
Statements of Financial Position
As of 31 December 2014, 2013 and 2012
(Expressed in United States Dollars)

	Note	2014	2013	2012
Assets				
Current assets				
Cash and cash equivalents		\$ 49,136	\$ 8,490	\$ 7,094
Accounts receivable, net of allowance for doubtful accounts of \$42,768, \$0, and \$0, respectively	E	289,331	218,434	137,879
Employee advances	E	726	490	1,358
Prepaid expenses		1,993	924	868
Total current assets		<u>341,186</u>	<u>228,338</u>	<u>147,199</u>
Non-current assets				
Deferred tax asset	J	93,985	8,546	-
Property and equipment, net	F	1,146,249	1,176,425	1,232,680
Total non-current assets		<u>1,240,234</u>	<u>1,184,971</u>	<u>1,232,680</u>
Total assets		<u><u>\$ 1,581,420</u></u>	<u><u>\$1,413,309</u></u>	<u><u>\$ 1,379,879</u></u>
Liabilities				
Current liabilities				
Accounts payable		\$ 87,711	\$ 100,606	\$ 6,303
Accrued liabilities	G	477,206	278,153	168,210
Deferred tax liability	J	9,107	10,645	76,985
Current portion of long-term debt	I	209,690	82,737	81,342
Total current liabilities		<u>783,714</u>	<u>472,141</u>	<u>332,840</u>
Non-current liabilities				
Notes payable to related parties	H	702,510	546,120	347,550
Long-term debt, less current portion	I	250,499	379,324	504,566
Total non-current liabilities		<u>953,009</u>	<u>925,444</u>	<u>852,116</u>
Total liabilities		<u>1,736,723</u>	<u>1,397,585</u>	<u>1,184,956</u>
Net assets		<u>(155,303)</u>	<u>15,724</u>	<u>194,923</u>
Issued capital and reserves attributable to owners				
Common stock, \$1 par value, 50,000 authorized and 2,000 shares issued and outstanding		2,000	2,000	2,000
Retained earnings (deficit)		<u>(157,303)</u>	<u>13,724</u>	<u>192,923</u>
Total equity (deficit)		<u><u>\$ (155,303)</u></u>	<u><u>\$ 15,724</u></u>	<u><u>\$ 194,923</u></u>

The financial statements on pages 3 to 6 were approved and authorised for issue by the Board of Directors on 25 January 2016 and were signed on its behalf by Don Rainwater
The accompanying notes are an integral part of these financial statements.

Lightning Industries, Inc.
Statements of Profit or Loss
For the Years Ended 31 December 2014, 2013 and 2012
(Expressed in United States Dollars)

	Note	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues				
Sales	M	\$ 1,125,391	\$ 787,329	\$ 1,080,725
Cost of sales		<u>978,125</u>	<u>755,681</u>	<u>922,381</u>
Gross profit		147,266	31,648	158,344
Operating expenses		<u>275,809</u>	<u>223,965</u>	<u>230,724</u>
Loss from operations		<u>(128,543)</u>	<u>(192,317)</u>	<u>(72,380)</u>
Other expenses				
Interest expense		115,789	39,978	34,843
Other expense		6,210	1,539	4,387
Penalties and fines		<u>7,462</u>	<u>20,251</u>	<u>15,116</u>
Total other expenses		<u>129,461</u>	<u>61,768</u>	<u>54,346</u>
Loss before tax		(258,004)	(254,085)	(126,726)
Tax benefit (expense)	J	<u>86,977</u>	<u>74,886</u>	<u>23,931</u>
Loss		<u>\$ (171,027)</u>	<u>\$ (179,199)</u>	<u>\$ (102,795)</u>
Earnings (loss) per share attributable to the ordinary equity holders				
Profit or loss				
Basic (United States Dollars)		<u>\$ (85.51)</u>	<u>\$ (89.60)</u>	<u>\$ (51.40)</u>
(Loss) divided by 2000 average common shares outstanding				

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

Lightning Industries, Inc.
Statements of Cash Flows
For the Years Ended 31 December 2014, 2013 and 2012
(Expressed in United States Dollars)

	Note	2014	2013	2012
Cash Flows from Operating Activities:				
Loss for the year		\$ (171,027)	\$ (179,199)	\$ (102,795)
Adjustments for:				
Depreciation	F	49,775	56,256	56,256
(Increase) decrease in deferred tax asset	J	(85,439)	(8,546)	-
Decrease in deferred tax liability	J	(1,538)	(66,340)	(25,717)
Change in operating assets and liabilities:				
Increase in accounts receivable	E	(70,897)	(80,555)	(83,105)
Increase in employee advances	E	(236)	868	(1,358)
(Increase) decrease in prepaid expenses	E	(1,069)	(56)	1,607
Increase (decrease) in accounts payable		(12,895)	94,303	2,764
Increase in accrued liabilities	G	199,053	109,943	64,924
Increase in income taxes payable	J	-	-	1,786
Net cash used by operating activities		<u>(94,273)</u>	<u>(73,326)</u>	<u>(85,638)</u>
Cash Flows from Investing Activities:				
Purchases of property and equipment	F	<u>(19,600)</u>	<u>-</u>	<u>-</u>
Net cash used by investing activities		<u>(19,600)</u>	<u>-</u>	<u>-</u>
Cash Flows from Financing Activities:				
Proceeds from related party notes payable	H	287,293	198,570	194,917
Payments on related party notes payable	H	(77,771)	-	(38,811)
Proceeds from notes payable	I	130,723	-	-
Payments on notes payable	I	<u>(185,726)</u>	<u>(123,848)</u>	<u>(88,465)</u>
Net cash provided by financing activities		<u>154,519</u>	<u>74,722</u>	<u>67,641</u>
Net increase (decrease) in cash and cash equivalents		40,646	1,396	(17,997)
Cash and cash equivalents - beginning of year		<u>8,490</u>	<u>7,094</u>	<u>25,091</u>
Cash and cash equivalents - end of year		<u>\$ 49,136</u>	<u>\$ 8,490</u>	<u>7,094</u>
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the year for:				
Income taxes		<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Interest		<u>\$ 99,354</u>	<u>\$ 34,764</u>	<u>\$ 32,457</u>

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

Lightning Industries, Inc.
Statement of Changes in Equity
For the Years Ended 31 December 2014, 2013, and 2012
(Expressed in United States Dollars)

	<u>Number of Shares</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
31 December 2011	2,000	\$ 2,000	\$ 295,718	\$ 297,718
Loss for the year	<u>-</u>	<u>-</u>	<u>(102,795)</u>	<u>(102,795)</u>
Total loss for the year	<u>-</u>	<u>-</u>	<u>(102,795)</u>	<u>194,923</u>
31 December 2012	2,000	2,000	192,923	194,923
Loss for the year	<u>-</u>	<u>-</u>	<u>(179,199)</u>	<u>(179,199)</u>
Total loss for the year	<u>-</u>	<u>-</u>	<u>(179,199)</u>	<u>(179,199)</u>
31 December 2013	<u>2,000</u>	<u>2,000</u>	<u>13,724</u>	<u>15,724</u>
Loss for the year	<u>-</u>	<u>-</u>	<u>(171,027)</u>	<u>(171,027)</u>
Total loss for the year	<u>-</u>	<u>-</u>	<u>(171,027)</u>	<u>(171,027)</u>
31 December 2014	<u><u>2,000</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ (157,303)</u></u>	<u><u>\$ (155,303)</u></u>

The accompanying notes are an integral part of these financial statements

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

A	Nature of Business
B	Basis of Presentation
C	Critical Accounting Estimates and Judgements
D	Financial Instruments – Risk Management
E	Trade and Other Receivables
F	Property and Equipment
G	Accrued Liabilities
H	Related Party Transactions
I	Long-Term Debt
J	Tax Expense
K	Revenue
L	Industry Risk
M	Settlement
N	Going Concern
O	Subsequent Events

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note A – Nature of Business

Lightning Industries, Inc. (“Lightning” or the “Company”) was incorporated in 2002 for the purpose of manufacturing specialty products to enhance efficiency and increase the production of oil and gas wells and to provide custom fabrication for a wide range of commercial clients. Located in Hobbs, New Mexico Lightning Industries, Inc. is strategically located to service the West Texas and New Mexico oil and gas fields and the uranium processing industry in and around Hobbs. With sales offices in San Antonio and Laredo, Texas, Lightning has easy access to the major gas production basins in Mexico. In addition, marketing efforts have commenced in Central and South America, the Middle East, and Africa. However, there have been no foreign sales as of the date of these financials.

Note B – Basis of Presentation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in United States dollars, which is also the Company’s functional currency. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). These financial statements have been prepared under IFRS, and IFRS is not United States Generally Accepted Accounting Principles (US GAAP). US GAAP is the term used to indicate the body of authoritative literature that comprises accounting and reporting standards in the US. Rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. IFRS is the term used to indicate the whole body of IASB authoritative literature. Under IFRS, Individual standards and interpretations are developed and maintained by the IASB and the IFRS Interpretations Committee. Authoritative US GAAP is primarily developed and maintained by the FASB and the Emerging Issues Task Force.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note C. These financial statements were authorised by the Company’s board of directors on 25 January 2016.

Changes in accounting policies

- a) New standards, interpretations and amendments effective from 1 January 2015

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2015. None of the amendments to Standards that are effective from that date had a significant effect on the Company’s financial statements.

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note B – Basis of Presentation (Continued)

- b) New standards, interpretations and amendments not yet effective

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

Standard/Interpretation	Effective Date
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Mandatory adoption for periods beginning on or after 1 January 2016.
IFRS 9 Financial Instruments	Can only be applied if date of initial application is before February 2015.
IFRS 14 Regulatory Deferral Accounts	Mandatory adoption for periods beginning on or after 1 January 2016.
IFRS 15 Revenue from Contracts with Customers	Mandatory adoption for periods beginning on or after 1 January 2018.
IAS 1 Presentation of Financial Statements	Mandatory adoption for periods beginning on or after 1 January 2016.
IAS 16 Property, Plant and Equipment	Mandatory adoption for periods beginning on or after 1 January 2016.

This summary of significant accounting policies of Lightning Industries, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash in banks, and all highly liquid investments with an original maturity of twelve months or less at the time of purchase.

Accounts Receivable

Accounts receivable arise in the normal course of business from customers located in West Texas and New Mexico. These receivables are not collateralized and are recorded net of an allowance for doubtful accounts. Receivables are stated at the amount that management expects to receive from outstanding balances. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk associated with specific receivable balances, historical trends, and other information. Generally the Company does not require collateral or other security to support receivable balances. As of 31 December 2014, 2013 and 2012, the allowance for doubtful accounts was \$42,768, \$0, and \$0, respectively.

Property and Equipment

Items of property and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. It is the Company's policy to capitalize expenditures for items with useful lives greater than one year and cost over \$1,000. Additions and replacements that improve or extend the estimated economic useful lives of existing assets are also capitalized. All other items are expensed as incurred.

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note B – Basis of Presentation (Continued)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Freehold land is not depreciated. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings and improvements – 2-5% per annum straight line
Equipment - 3%-20% per annum straight line

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when freehold land and buildings are expensed through the statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes), and accrued officer/shareholder payroll (deductible for financial statement purposes but not for income tax purposes until paid). The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are provided for deferred tax assets based on management's projection of the sufficiency of future taxable income to realize the assets. As of 31 December 2014, 2013 and 2012, there were no valuation allowances deemed necessary.

The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing of those returns. The 2012 through 2014 tax year remains subject to examination by the IRS.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising expense amounted to \$931, \$666 and \$1,114 for 31 December 2014, 2013 and 2012, respectively.

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note B – Basis of Presentation (Continued)

Gross receipts and Sales Tax

The Company excludes from its sales all sales taxes assessed to its customers. Gross receipts and sales taxes assessed on sales are recorded as accrued liabilities on the balance sheet until remitted to state agencies.

Revenue Recognition

Revenue is recognized when services are rendered or goods are received regardless of when the cash is received. Returns are insignificant.

Note C – Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and Assumptions

- Income taxes – provisions for income taxes (see note J).
- Allowance for doubtful accounts (see note B).
- Useful lives of depreciable assets (see note F).

Note D – Financial Instruments – Risk Management

The Company is exposed through its operations to the following financial risks:

Credit risk - In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company grants credit primarily to commercial customers located in New Mexico and West Texas.

The Company may be subject to credit risk to its cash and cash equivalents, which are placed with financial institutions. The Federal Deposit Insurance Corporation ("FDIC") covers up to \$250,000 for substantially all depository accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At 31 December 2014, 2013 and 2012, the Company had \$0 in cash and cash equivalents in excess of the FDIC limits.

Market price risk - Although it does not directly sell oil, the Company's products are related to operations in the oil industry, and the market price of oil can affect the Company's operations.

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note E – Trade and Other Receivables

	2014	2013	2012
Trade receivables	\$ 332,099	\$ 218,434	\$ 137,879
Receivables from employee advances	726	490	1,358
Less: Allowance for doubtful accounts	<u>(42,768)</u>	<u>-</u>	<u>-</u>
Total financial assets (other than cash and cash equivalents) classified as loans and receivables	<u>290,057</u>	<u>218,924</u>	<u>139,237</u>
Total trade and other receivables	<u><u>\$ 290,057</u></u>	<u><u>\$ 218,924</u></u>	<u><u>\$ 139,237</u></u>
Current portion	<u><u>\$ 290,057</u></u>	<u><u>\$ 218,924</u></u>	<u><u>\$ 139,237</u></u>

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Items	Fair Value	Valuation Technique	Fair Value Hierarchy Level	Significant Unobservable Inputs
		Current	Level 3	Current
Trade receivables and payables	\$ 332,099	The carrying amount of short term (less than 12 months) trade receivable and payables approximates its fair values.		N/A

Note F – Property and Equipment

The major classifications of property and equipment at 31 December 2014, 2013 and 2012, including their estimated useful lives, are summarized below:

Description	Depreciation rates	2014	2013	2012
Freehold land	-	\$ 150,000	\$ 150,000	\$ 150,000
Equipment	3-20%	802,425	789,225	789,225
Freehold building and improvements	2-5%	<u>665,829</u>	<u>659,430</u>	<u>659,430</u>
		1,618,254	1,598,655	1,598,655
Less accumulated depreciation		<u>(472,005)</u>	<u>(422,230)</u>	<u>(365,975)</u>
Property and equipment, net		<u><u>\$ 1,146,249</u></u>	<u><u>\$ 1,176,425</u></u>	<u><u>\$ 1,232,680</u></u>

Depreciation expense was \$49,775, \$56,256 and \$56,256 for 31 December 2014, 2013 and 2012, respectively.

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note G – Accrued Liabilities

Accrued liabilities are comprised of the following at 31 December 2014, 2013 and 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Accrued interest	\$ 86,263	\$ 43,530	\$ 22,892
Settlement (Note M)	50,592	47,856	47,856
Sales tax payable	116,411	85,208	52,853
Payroll taxes payable	223,690	101,359	44,459
Other taxes payable	<u>250</u>	<u>200</u>	<u>150</u>
Accrued liabilities	<u>\$ 477,206</u>	<u>\$ 278,153</u>	<u>\$ 168,210</u>

Note H – Related Party Transactions

The notes payable to related parties consist of several notes to related entities, shareholders, and other related parties. These notes have stated interest rates up to 6% and various repayment terms. These have all been included on the balance sheets as long-term liabilities with a balance of \$617,814, \$461,424 and \$262,854 at 31 December 2014, 2013 and 2012, respectively. In addition, the Company owes its owner and president for credit card purchases they made for the Company in 2011. These notes totaling \$84,696 carry a 6% interest rate and are due February 28, 2017.

During the year Company companies had the following transactions with related parties.

	<u>Amounts Owed to Related Parties</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Ronnie Burns	\$ 30,000	\$ 30,000	\$ 30,000
Isaacs International	10,000	10,000	10,000
Kenny Shades	223,961	-	-
Lee Alves	174,010	68,886	68,886
Due to Domenari LLC	259,539	337,310	140,810
Due to Don Rainwater	5,000	5,000	5,000
Due to Shareholder	<u>-</u>	<u>94,924</u>	<u>92,854</u>
	<u>\$ 702,510</u>	<u>\$ 546,120</u>	<u>\$ 347,550</u>

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note I – Long-Term Debt

At 31 December 2014, 2013 and 2012, long-term debt consists of the following:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
With a financing company, monthly payment of \$2,338 with 4.00% interest, maturity date 14 February 2027. Secured by equipment and vehicles.	\$ 268,981	\$ 285,813	\$ 301,920
With a financing company, monthly payments of \$2,627 with 7.743% interest, maturity date 9 June 2014. Secured by various equipment. Paid off in 2014.	-	12,988	38,250
With a financing company, monthly payments of \$1,814 with 8.656% interest, maturity date 13 August 2014. Secured by equipment. Paid off in 2014.	-	10,614	27,319
With a financing company, varying monthly payments with 7.50% interest, maturity date 18 February 2015. Secured by equipment.	62,027	104,330	118,945
With a financing company, varying monthly payments with 7.5% interest, maturity date 31 March 2014. Paid off in 2014.	-	48,316	99,474
With a financing company, with three loans with varying payments with interest of 20%, 36%, and 70.285% interest, respectively, maturity date 9 January 2015	53,130	-	-
With a financing company, daily payments of \$289.52 with 99.247% interest, maturity date 31 December 2014. Secured by equipment.	37,222	-	-
With an individual, varying monthly payments with 22% interest, maturity date 19 September 2015	38,829	-	-
Total long-term debt	460,189	462,061	585,908
Less current maturities	(209,690)	(82,737)	(81,342)
	<u>\$ 250,499</u>	<u>\$ 379,324</u>	<u>\$ 504,566</u>

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note I – Long-Term Debt (Continued)

Approximate maturities of long-term debt during the next five years ended December 31, are as follows:

2015	\$	209,690
2016		18,331
2017		19,078
2018		19,855
2019		20,664
Thereafter		172,571
	\$	<u>460,189</u>

Note J – Tax Expense

Income tax benefit for the years ended 31 December 2014, 2013 and 2012 consist of the following:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Deferred federal and state income taxes	<u>\$ (86,977)</u>	<u>\$ (74,886)</u>	<u>\$ (23,931)</u>
Income tax benefit	<u>\$ (86,977)</u>	<u>\$ (74,886)</u>	<u>\$ (23,931)</u>

The income tax expense (benefit) differs from the expense that would result from applying federal statutory rates to income before income taxes because the Company is subject to items that are not tax deductible, and deferred taxes for temporary differences may reverse at rates that differ from those used to calculate deferred income taxes at the beginning of the year.

The Company's deferred tax assets and deferred tax liabilities at 31 December 2014, 2013 and 2012 are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total deferred tax assets	\$ 93,985	\$ 8,546	\$ -
Total deferred tax (liabilities)	<u>(9,107)</u>	<u>(10,645)</u>	<u>(76,985)</u>
Net deferred tax (liabilities)	<u>\$ 84,878</u>	<u>\$ (2,099)</u>	<u>\$ (76,985)</u>

These amounts have been presented in the Company's financial statements as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current deferred tax (liabilities)	\$ (9,107)	\$ (10,645)	\$ (76,985)
Noncurrent deferred tax	<u>93,985</u>	<u>8,546</u>	<u>-</u>
Net deferred tax (liabilities)	<u>\$ 84,878</u>	<u>\$ (2,099)</u>	<u>\$ (76,985)</u>

Lightning Industries, Inc.
Notes Forming Part of the Financial statements
For the Years Ended 31 December 2014, 2013, and 2012

Note K – Revenue

Revenues are recognized when goods are transferred or services are rendered, no matter when cash is received.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues			
Sales	<u>\$ 1,125,391</u>	<u>\$ 787,329</u>	<u>\$ 1,080,725</u>

Note L – Industry Risk

The Company provides services to the oil and gas energy industry. Generally the industry is subject to supply, demand and price risks which at times can be volatile.

Note M – Settlement

On February 24, 2012, the Company reached a settlement with another company over steel the Company purchased and a settlement was reached for \$47,856 and in 2014 was increased to \$50,592 for fees and interest. As of the date of these financials, payment has not been made on this settlement.

Note N – Going Concern

As shown in the accompanying financial statements, although the Company realized a loss of \$171,027 during the year ended 31 December 2014, as of that date, the Company's current liabilities exceeded its current assets by \$348,543 and its total liabilities exceeded its total assets by \$155,303. Those factors, as well as not generating cash through operating activities, create an uncertainty about the Company's ability to continue as a going concern. In addition, the global price of oil plummeted to 30 year lows at the end of 2015, triggering an unprecedented contraction in the industry.

Note O - Subsequent Events

The Company has evaluated events subsequent to 31 December 2014 that would possibly require adjustment or disclosure in these financial statements, through 25 January 2016, the date that these statements were available to be issued. Except for the paragraphs below, there were no events identified that require adjustment or disclosure as of 31 December 2014.

Another Company has entered into a non-binding letter of intent with Lightning Industries Inc. to acquire 100% of Lightning's authorized share capital. The Canadian Securities Exchange still needs to approve this acquisition for it to be official. As of 25 January 2016, this approval is still pending.

The second to last line item on the long-term debt schedule at Note I with a principal balance of \$37,222 expired 31 December 2014 and has not been paid in full as of 25 January 2016. The financing company has not called the loan or repossessed the secured equipment. The Company continues to make interest only payments.

Supplemental Schedule

Lightning Industries, Inc.
Schedule of Operating Expenses
For the Years Ended 31 December 2014, 2013 and 2012
(Expressed in United States Dollars)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Advertising	\$ 931	\$ 666	\$ 1,114
Bad debts	42,768	-	-
Commissions and fees	29,160	25,656	39,203
Contract labor	-	596	636
Credit card fees	1,441	1,699	909
Depreciation	49,775	56,256	56,256
Dues and subscriptions	4,130	45	-
Education	-	-	118
Gas and oil	26,990	7,991	18,041
General and administrative	2,356	4,162	3,832
Insurance	22,462	18,062	17,513
Legal and professional	19,316	41,939	17,301
Licenses	202	-	263
Meals and entertainment	299	1,678	5,448
Postage	1,165	661	593
Rent	148	-	-
Repairs	5,963	9,162	12,788
Salaries and wages	26,200	-	-
Small tools	-	3,235	12,118
Supplies	16,854	26,587	20,243
Telephone	3,263	5,198	3,743
Travel	-	391	2,703
Utilities	22,386	19,981	17,902
	<u>\$ 275,809</u>	<u>\$ 223,965</u>	<u>\$ 230,724</u>

See independent auditors' report

SCHEDULE D

Financial Statements of Lightning Industries Inc. for the Nine Months Ended September 30, 2015

[Inserted as Pages Following]

Lightning Industries, Inc.

Financial Statements

**For the Nine Months Ended 30 September 2015
And For the Year Ended 31 December 2014**

Lightning Industries, Inc.
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Country of incorporation of parent company:	The United States of America
Legal form:	Corporation
Principal activities:	The nature of the entities operations and its principal activities are set out in note A
Directors:	Don Rainwater Ken Shade Lee Alves



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Owners and Management of
Lightning Industries, Inc.
Hobbs, NM

We have reviewed the accompanying statements of financial position of Lightning Industries, Inc. (the Company), as of 30 September 2015, and the related statements of profit and loss and changes in equity, and cash flows for the nine months then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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, International Accounting Standards and Interpretations (collectively IFRSs) and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

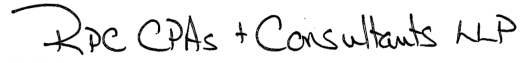
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with International Financial Reporting Standards, International Accounting Standards and Interpretations.

As discussed in Note N, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with International Financial Reporting Standards, International Accounting Standards and Interpretations. The supplementary information for the nine months ended 30 September 2015 included in the accompanying page 17 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Prior Period Financial Statements

The 2014 financial statements were audited by us, and we expressed an unqualified opinion on them in our report dated 30 December 2015, but we have not performed any auditing procedures since that date. These financial statements have been prepared in accordance with IFRSs.

A handwritten signature in black ink that reads "RPC CPAs + Consultants LLP". The signature is written in a cursive, flowing style.

RPC CPAs + Consultants, LLP

Albuquerque, New Mexico

25 January 2016

Lightning Industries, Inc.
Statements of Financial Position
30 September 2015 and 31 December 2014
(Expressed in United States Dollars)

	<u>Note</u>	<u>Reviewed 30 September 2015</u>	<u>Audited 31 December 2014</u>
Assets			
Current assets			
Cash and cash equivalents		\$ 5,248	\$ 49,136
Accounts receivable, net of allowance for doubtful accounts of \$42,768 for 2015 and 2014	E	445,766	289,331
Inventory		74,625	-
Employee advances	E	1,663	726
Prepaid expenses		1,101	1,993
Total current assets		<u>528,403</u>	<u>341,186</u>
Non-current assets			
Deferred tax asset	K	70,531	93,985
Property and equipment, net	F	1,108,469	1,146,249
Total non-current assets		<u>1,179,000</u>	<u>1,240,234</u>
Total assets		<u><u>\$ 1,707,403</u></u>	<u><u>1,581,420</u></u>
Liabilities			
Current liabilities			
Accounts payable		\$ 181,954	\$ 87,711
Accrued liabilities	G	104,447	477,206
Market advances	I	52,232	-
Deferred tax liability	K	85,608	9,107
Current portion of long-term debt	J	245,065	209,690
Total current liabilities		<u>669,306</u>	<u>783,714</u>
Non-current liabilities			
Notes payable to related parties	H	575,832	702,510
Long-term debt, less current portion	J	567,058	250,499
Total non-current liabilities		<u>1,142,890</u>	<u>953,009</u>
Total liabilities		<u>1,812,196</u>	<u>1,736,723</u>
Net assets		(104,793)	(155,303)
Issued capital and reserves attributable to owners			
Common stock, \$1 par value, 50,000 authorized and 2,000 shares issued and outstanding		2,000	2,000
Retained earnings (deficit)		(106,793)	(157,303)
Total equity (deficit)		<u><u>\$ (104,793)</u></u>	<u><u>\$ (155,303)</u></u>

The financial statements on pages 3 to 6 were approved and authorised for issue by the Board of
Directors on 25 January 2016 and were signed on its behalf by Don Rainwater
See accompanying notes and independent accountants' review report.

Lightning Industries, Inc.
Statements of Profit or Loss and Changes in Equity
For the Nine Months Ended 30 September 2015 and For the Year Ended 31 December 2014
(Expressed in United States Dollars)

	<u>Note</u>	<u>Reviewed 30 September 2015</u>	<u>Audited 31 December 2014</u>
Revenues			
Sales	L	\$ 1,569,268	\$ 1,125,391
Cost of sales		<u>909,587</u>	<u>978,125</u>
Gross profit		659,681	147,266
Operating expenses		<u>272,072</u>	<u>275,809</u>
Profit (loss) from operations		<u>387,609</u>	<u>(128,543)</u>
Other expenses			
Interest expense		209,332	115,789
Other expense		356	6,210
Penalties and fines		<u>27,456</u>	<u>7,462</u>
Total other expenses		<u>237,144</u>	<u>129,461</u>
Profit (loss) before tax		150,465	(258,004)
Income tax benefit (expense)	K	<u>(99,955)</u>	<u>86,977</u>
Profit (loss)		<u><u>\$ 50,510</u></u>	<u><u>\$ (171,027)</u></u>
Earnings (loss) per share attributable to the ordinary equity holders			
Profit or loss			
Basic (United States Dollars)		<u><u>\$ 25.26</u></u>	<u><u>\$ (85.51)</u></u>
Gain (loss) divided by 2000 average common shares outstanding			

*There are no potentially dilutive securities outstanding

See accompanying notes and independent accountants' review report.

Lightning Industries, Inc.
Statements of Cash Flows
30 September 2015 and 31 December 2014
(Expressed in United States Dollars)

	Note	Reviewed 30 September 2015	Audited 31 December 2014
Cash Flows from Operating Activities:			
Profit (loss) for the year		\$ 50,510	\$ (171,027)
Adjustments for:			
Depreciation	F	37,781	49,775
(Increase) decrease in deferred tax asset	K	23,454	(85,439)
Increase (decrease) in deferred tax liability	K	76,501	(1,538)
Change in operating assets and liabilities:			
Increase in accounts receivable	E	(156,435)	(70,897)
Decrease in employee advances	E	(937)	(236)
(Increase) decrease in prepaid expenses		892	(1,069)
Increase in inventory		(74,625)	-
Increase (decrease) in accounts payable		94,243	(12,895)
Increase (decrease) in accrued liabilities	G	122,367	199,053
Increase in market advances	I	52,232	-
Net cash provided (used) by operating activities		<u>225,983</u>	<u>(94,273)</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	F	<u>-</u>	<u>(19,600)</u>
Net cash (used) by investing activities		<u>-</u>	<u>(19,600)</u>
Cash Flows from Financing Activities:			
Proceeds from related party notes payable	H	-	287,293
Payments on related party notes payable	H	-	(77,771)
Proceeds from notes payable	J	-	130,723
Payments on notes payable	J	<u>(269,871)</u>	<u>(185,726)</u>
Net cash provided (used) by financing activities		<u>(269,871)</u>	<u>154,519</u>
Net increase (decrease) in cash and cash equivalents		(43,888)	40,646
Cash and cash equivalents - beginning of period		<u>49,136</u>	<u>8,490</u>
Cash and cash equivalents - end of period		<u>\$ 5,248</u>	<u>\$ 49,136</u>
Supplemental Disclosure of Cash Flow Information:			
Cash paid (received) during the period for:			
Income taxes		<u>\$ -</u>	<u>\$ -</u>
Interest		<u>\$ 128,891</u>	<u>\$ 99,354</u>
Reclassification of tax liabilities to long-term debt		<u>\$ 490,126</u>	<u>\$ -</u>

See accompanying notes and independent accountants' review report.

Lightning Industries, Inc.
Statement of Changes in Equity
For the Nine Months Ended 30 September 2015 and for the Audited Year Ended 31 December 2014
(Expressed in United States Dollars)

	<u>Number of Shares</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
31 December 2013	2,000	\$ 2,000	\$ 13,724	\$ 15,724
Loss for the year	<u>-</u>	<u>-</u>	<u>(171,027)</u>	<u>(171,027)</u>
Total loss for the year	<u>-</u>	<u>-</u>	<u>(171,027)</u>	<u>(171,027)</u>
31 December 2014	2,000	2,000	(157,303)	(155,303)
Profit for the year	<u>-</u>	<u>-</u>	<u>50,510</u>	<u>50,510</u>
Total profit for the year	<u>-</u>	<u>-</u>	<u>50,510</u>	<u>50,510</u>
30 September 2015	<u>2,000</u>	<u>\$ 2,000</u>	<u>\$ (106,793)</u>	<u>\$ (104,793)</u>

See accompanying notes and independent accountants' review report.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements
For the Nine Months Ended 30 September 2015 and for the Audited Year Ended 31 December 2014

A	Nature of Business
B	Basis of Presentation
C	Critical Accounting Estimates and judgements
D	Financial Instruments – Risk Management
E	Trade and Other Receivables
F	Property and Equipment
G	Accrued Liabilities
H	Related Party Transactions
I	Market Advances
J	Long-Term Debt
K	Tax Expense
L	Revenue
M	Industry Risk
N	Going Concern
O	Settlement
P	Reclassification of taxes to long-term debt
Q	Subsequent Events

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note A – Nature of Business

Lightning Industries, Inc. (“Lightning” or the “Company”) was incorporated in 2002 for the purpose of manufacturing specialty products to enhance efficiency and increases the production of oil and gas wells and to provide custom fabrication for a wide range of commercial clients. Located in Hobbs, New Mexico Lightning Industries, Inc. is strategically located to service the West Texas and New Mexico oil and gas fields and the uranium processing industry in and around Hobbs. With sales offices in San Antonio and Laredo, Texas, Lightning has easy access to the major gas production basins in Mexico. In addition, marketing efforts have commenced in Central and South America, the Middle East, and Africa. However, there have been no foreign sales as of the date of these financials.

Note B – Basis of Presentation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in United States dollars, which is also the Company’s functional currency. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). These review financial statements have been prepared under IFRS, and IFRS is not United States Generally Accepted Accounting Principles (US GAAP). US GAAP is the term used to indicate the body of authoritative literature that comprises accounting and reporting standards in the US. Rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. IFRS is the term used to indicate the whole body of IASB authoritative literature. Under IFRS, Individual standards and interpretations are developed and maintained by the IASB and the IFRS Interpretations Committee. Authoritative US GAAP is primarily developed and maintained by the FASB and the Emerging Issues Task Force.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note C. These financial statements were authorised by the Company’s board of directors on 25 January 2016.

Changes in accounting policies

- a) New standards, interpretations and amendments effective from 1 January 2015

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2015. None of the amendments to Standards that are effective from that date had a significant effect on the Company’s financial statements.

This summary of significant accounting policies of Lightning Industries, Inc. is presented to assist in understanding the Company’s financial statements. The review report and notes are representations of the Company’s management who is responsible for their integrity and objectivity.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note B – Basis of Presentation (Continued)

- b) New standards, interpretations and amendments not yet effective. The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Group's future financial statements:

Standard/Interpretation	Effective Date
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Mandatory adoption for periods beginning on or after 1 January 2016.
IFRS 9 Financial Instruments	Can only be applied if initial application is before February 2015.
IFRS 14 Regulatory Deferral Accounts	Mandatory adoption for periods beginning on or after 1 January 2016.
IFRS 15 Revenue from Contracts with Customers	Mandatory adoption for periods beginning on or after 1 January 2018.
IAS 1 Presentation of Financial Statements	Mandatory adoption for periods beginning on or after 1 January 2016.
IAS 16 Property, Plant and Equipment	Mandatory adoption for periods beginning on or after 1 January 2016.

This summary of significant accounting policies of Lightning Industries, Inc. is presented to assist in understanding the Company's review financial statements. The review financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash in banks, and all highly liquid investments with an original maturity of twelve months or less at the time of purchase.

Accounts Receivable

Accounts receivable arise in the normal course of business from customers located in West Texas and New Mexico. These receivables are not collateralized and are recorded net of an allowance for doubtful accounts. Receivables are stated at the amount that management expects to receive. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk associated with specific receivable balances, historical trends, and other information. Generally the Company does not require collateral or other security to support receivable balances. As of 30 September 2015 and 31 December 2014, an allowance for doubtful accounts exists of \$42,768.

Inventory

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Property and Equipment

Items of property and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. It is the Company's policy to capitalize expenditures for items with useful lives greater than one year and cost over \$1,000. Additions and replacements that improve or extend the estimated economic useful lives of existing assets are also capitalized. All other items are expensed as incurred.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements
For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note B – Basis of Presentation (Continued)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Freehold land is not depreciated. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings and improvements – 2-5% per annum straight line
Equipment - 3%-20% per annum straight line

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when freehold land and buildings are expensed through the statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes), and accrued officer/shareholder payroll (deductible for financial statement purposes but not for income tax purposes until paid). The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are provided for deferred tax assets based on management's projection of the sufficiency of future taxable income to realize the assets.

The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing of those returns. The 2012 through 2014 tax year remains subject to examination by the IRS.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising expense amounted to \$100 and \$931 for the nine months ended 30 September 2015 and for the year ended 31 December 2014, respectively.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements
For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note B – Basis of Presentation (Continued)

Gross Receipts and Sales Tax

The Company excludes from its sales all taxes assessed to its customers. Gross receipts and sales tax assessed on sales are recorded as accrued liabilities on the balance sheet until remitted to state agencies.

Revenue Recognition – Revenue is recognized when services are rendered or goods are received regardless of when the cash is received. Returns are insignificant.

Note C – Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and Assumptions

- Income taxes – provisions for income taxes (see note K).
- Allowance for doubtful accounts (see note B)
- Useful lives of depreciable assets (see note F).

Note D – Financial Instruments – Risk Management

The Company is exposed through its operations to the following financial risks:

Credit risk - In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company grants credit primarily to commercial customers located in New Mexico and West Texas.

The Company may be subject to credit risk to cash and cash equivalents, which are placed with financial institutions. The Federal Deposit Insurance Corporation ("FDIC") covers up to \$250,000 for substantially all depository accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents. At 30 September 2015 and 31 December 2014, the Company had no cash and cash equivalents in excess of the FDIC limits.

Market price risk – Although it does not directly sell oil, the Company's products are related to operations in the oil industry, and the market price of oil can affect the Company's operations. .

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note E – Trade and Other Receivables

	2015	2014
Trade receivables	\$ 488,534	\$ 332,099
Receivables from employee advances	1,663	94,711
Less: allowance for doubtful accounts	<u>(42,768)</u>	<u>(42,768)</u>
Total financial assets (other than cash and cash equivalents) classified as loans and receivables	<u>447,429</u>	<u>384,042</u>
Total trade and other receivables	<u>447,429</u>	<u>384,042</u>
Current portion	<u>\$ 447,429</u>	<u>\$ 384,042</u>

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Items	Fair Value	Valuation Technique	Fair Value Hierarchy Level	Significant Unobservable Inputs
		Current	Level 3	Current
Trade Receivables	\$ 488,534	The carrying amount of short term (less than 12 months) trade receivables approximates its fair values.		N/A

Note F – Property and Equipment

The major classifications of property and equipment, including their estimated useful lives, are summarized below:

Description	Depreciation Rates	2015	2014
Freehold land	-	\$ 150,000	\$ 150,000
Equipment	3-20%	802,425	802,425
Freehold building and improvements	2-5%	<u>665,829</u>	<u>665,829</u>
		1,618,254	1,618,254
Less accumulated depreciation		<u>(509,785)</u>	<u>(472,005)</u>
Property and equipment, net		<u>\$ 1,108,469</u>	<u>\$ 1,146,249</u>

Depreciation expense was \$37,781 and \$49,775 for the nine months ended 30 September 2015 and for the year ended 31 December 2014, respectively.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note G – Accrued Liabilities

Accrued liabilities are comprised of the following:

	2015	2014
Accrued interest	\$ 42,388	\$ 86,263
Settlement (Note O)	50,592	50,592
Accrued payroll	10,355	-
Payroll taxes payable	812	223,690
Sales tax payable	-	116,411
Other taxes payable	300	250
Accrued liabilities	<u>\$ 104,447</u>	<u>\$ 477,206</u>

Note H – Related Party Transactions

The notes payable to related parties consist of several notes to related entities, shareholders, and other related parties. These notes have stated interest rates up to 6% and various repayment terms. These have all been included on the balance sheets as long-term liabilities with a balance of \$491,136 at 30 September 2015. In addition, the Company owes its owner and president for credit card purchases they made for the Company in 2011. These notes totaling \$84,696 carry a 6% interest rate and are due on February 28, 2017. The notes payable to related parties total \$575,832 and \$702,510 at 30 September 2015 and 31 December 2014, respectively.

During the year Company companies had the following transactions with related parties.

	Amounts Owed to Related Parties	
	2015	2014
Ronnie Burns	\$ 30,000	30,000
Isaacs International	10,000	10,000
Lee Alves	105,124	105,124
Kenny Shades	160,369	223,961
Due to Domenari LLC	180,643	243,729
Due to Don Rainwater	5,000	5,000
Lee Alves-Credit Card Payable	68,886	68,886
Domenari Credit Card Payable	15,810	15,810
	<u>\$ 575,832</u>	<u>\$ 702,510</u>

Note I – Market Advances

During the nine months ended 30 September 2015, the Company entered into two separate market advance agreements. These agreements provided Lightning with advances of \$45,000 and \$48,907, for a total advance of \$93,907, with repayments to be made to the respective finance companies through daily direct withdrawals from Lightning's bank account. These daily repayments will be made until a total of \$130,719 has been submitted. Withdrawal of funds have been determined to be a minimum of a combined \$1,210 daily or 24.50% of the daily deposit into the bank account. As of 30 September 2015, the remaining balance due on the market advances is \$52,232.

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements
For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note J – Long-Term Debt

At 30 September 2015 and 31 December 2014, long-term debt consists of the following:

	<u>2015</u>	<u>2014</u>
With a financing company, monthly payment of \$2,338 with a 4.00% interest rate, maturing 14 February 2027 Secured by equipment and vehicles.	\$ 254,978	\$ 268,981
With the Internal Revenue Service installment plan, monthly payments of \$5,000 with a 3.49% interest rate, maturing 15 May 2018. If payment is not made or other conditions are not met, the issuer can cancel the agreements and collect the amount owed. Penalties consisted of \$17,562.	284,015	-
With the New Mexico Taxation and Revenue Department installment plan, monthly payments of \$5,600 with a 3.00% interest rate, maturing 31 July 2018. If payment is not made or any reports are not filed, the issuer can cancel the agreement and collect amount owed. Penalties consisted of \$27,177.	206,110	-
With a financing company, varying monthly payments with 7.50% interest, maturity date 18 February 2015. Secured by equipment. Paid off during 2015.	-	62,027
With an individual, varying monthly payments with 22% interest, maturity date 19 September 2015. Paid off during 2015.	-	38,829
With a financing company, three loans with varying payments with interest rates of 20%, 36%, and 70.285%, maturing 9 January 2015.	29,798	53,130
With a financing company, daily payments of \$289.52 with 99.247% interest, maturing 31 December 2014. Secured by equipment.	<u>37,222</u>	<u>37,222</u>
Total long-term debt	812,123	460,189
Less current maturities	<u>(245,065)</u>	<u>(209,690)</u>
	<u><u>\$ 567,058</u></u>	<u><u>\$ 250,499</u></u>

Approximate maturities of long-term debt during the next five years ended 30 September, are as follows:

2016	\$ 245,065
2017	183,198
2018	185,682
2019	20,496
2020	21,331
Thereafter	<u>156,351</u>
	<u><u>\$ 812,123</u></u>

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note K – Tax Expense

The provision for federal income taxes for the nine months ended 30 September 2015 and for the year ended 31 December 2014 consists of the following:

	Nine months ended 2015	Year ended 2014
Deferred federal and state income taxes	\$ 99,955	\$ (86,977)
Total provision for income taxes	<u>\$ 99,955</u>	<u>\$ (86,977)</u>

The income tax expense (benefit) differs from the expense that would result from applying federal statutory rates to income before income taxes because the Company is subject to items that are not tax deductible, and deferred taxes for temporary differences may reverse at rates that differ from those used to calculate deferred income taxes at the beginning of the year.

The Company's deferred tax assets and deferred tax liabilities at 30 September 2015 and 31 December 2014 are as follows:

	Nine months ended 2015	Year ended 2014
Total deferred tax assets	\$ 70,531	\$ 93,985
Total deferred tax (liabilities)	<u>(85,608)</u>	<u>(9,107)</u>
Net deferred tax (liabilities)	<u>\$ (15,077)</u>	<u>\$ 84,878</u>

These amounts have been presented in the Company's financial statements at 30 September 2015 and 31 December 2014 as follows:

	Nine months ended 2015	Year ended 2014
Current deferred tax (liabilities)	\$ (85,608)	\$ (9,107)
Noncurrent deferred tax (asset)	<u>70,531</u>	<u>93,985</u>
Net deferred tax (liabilities)	<u>\$ (15,077)</u>	<u>\$ 84,878</u>

Due to the market conditions as of 30 September 2015, the Company recorded an allowance of \$20,500 to adjust the estimated value of the deferred tax assets.

Note L – Revenue

Revenues are recognized when goods are transferred or services are rendered, no matter when cash is received.

	2015	2014
Revenues		
Sales	<u>\$ 1,569,268</u>	<u>\$ 1,125,391</u>

Lightning Industries, Inc.
Notes Forming Part of the Financial Statements

For the Nine Months Ended 30 September 2015 (Reviewed) and Year Ended 31 December 2014 (Audited)

Note M – Industry Risk

The Company provides services to the oil and gas energy industry. Generally the industry is subject to supply, demand and price risks which at times can be volatile.

Note N – Going Concern

As shown in the accompanying financial statements, although the Company realized a profit of \$50,510 during the nine months ended 30 September 2015, as of that date, the Company's current liabilities exceeded its current assets by \$146,725 and its total liabilities exceeded its total assets by \$110,615. Those factors, as well as not generating cash through operating activities, create an uncertainty about the Company's ability to continue as a going concern. In addition, the global price of oil plummeted to 30 year lows at the end of 2015, triggering an unprecedented contraction in the industry.

Note O – Settlement

On 24 February 2012, the Company reached a settlement with another company over steel the Company purchased and a settlement was reached for \$47,856 and in 2014 was increased to \$50,592 for fees and interest. As of the date of these financials, payment has not been made on this settlement.

Note P – Reclassification of taxes to long-term debt

As shown in the accompanying long-term debt note J, the Company set up two installment plans in 2015, one with the Internal Revenue Service for \$284,015 with monthly payments of \$5,000 with a 3.49% interest rate maturing on May 15, 2018 and another with the New Mexico Taxation and Revenue Department for \$206,100 with monthly payments of \$5,600 and maturing on 31 July 2018. The Company reclassified total taxes owed of \$490,126 from accrued expenses to long-term debt.

Note Q - Subsequent Events

The Company has evaluated events subsequent to 30 September 2015 that would possibly require adjustment or disclosure in these financial statements, through 25 January 2016, the date that these statements were available to be issued. Except for the paragraphs below, there were no events identified that require adjustment or disclosure as of 30 September 2015.

Another Company has entered into a non-binding letter of intent with Lightning Industries Inc. to acquire 100% of Lightning's authorized share capital. The Canadian Securities Exchange still needs to approve this acquisition for it to be official. As of 25 January 2016, this approval is still pending.

The last line item on the long-term debt schedule at Note J with a principal balance of \$37,222 expired 31 December 2014 and has not been paid in full as of 25 January 2016. The financing company has not called the loan or repossessed the secured equipment. The Company continues to make interest only payments.

Supplemental Schedule

Lightning Industries, Inc.
Schedule of Operating Expenses
For the Nine Months Ended 30 September 2015 and the Year Ended 31 December 2014
(Expressed in United States Dollars)

	Reviewed 30 September 2015	Audited 31 December 2014
Advertising	\$ 100	\$ 931
Bad debts	-	42,768
Commissions and fees	39,422	29,160
Credit card fees	877	1,441
Depreciation	37,781	49,775
Freight expense	935	-
Gas and oil	19,960	26,990
General and administrative	10,996	6,486
Insurance	23,013	22,462
Legal and professional	97,246	19,316
Licenses	290	202
Meals and entertainment	9	299
Postage	1,651	1,165
Rent	-	148
Repairs	2,001	5,963
Salaries and wages	22,845	26,200
Supplies	-	16,854
Telephone	1,081	3,263
Utilities	13,865	22,386
	<u>\$ 272,072</u>	<u>\$ 275,809</u>

See independent accountants' review report

SCHEDULE E

Pro Forma Statement of Financial Position of the Company as at December 31, 2015

[Inserted as Pages Following]

HIGHMARK MARKETING INC.

(FORMERLY HIGHMARK ACQUISITIONS LTD.)

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian dollars)

DECEMBER 31, 2015

HIGHMARK MARKETING INC.
(FORMERLY HIGHMARK ACQUISITIONS LTD.)
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian dollars)
AS AT DECEMBER 31, 2015

	Notes	Highmark December 31, 2015	Lightning September 30, 2015	Pro-forma adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	3a	\$ -	\$ 5,248	\$ 250,000	\$ 255,248
Accounts receivable, net of allowance		-	445,766		445,766
Other receivable		1,000	-		1,000
GST receivable		4,887	-		4,887
Inventory		-	74,625		74,625
Employee advances		-	1,663		1,663
Prepaid expenses and deposits		50,040	1,101		51,141
		55,927	528,403		834,330
Non-current assets					
Deferred tax assets		-	70,531		70,531
Property and equipment, net		-	1,108,469		1,108,469
Intellectual property		10,000	-		10,000
Due from related parties		45,684	-		45,684
Investment from subsidiaries		100	-		100
		55,784	1,179,000		1,234,784
TOTAL ASSETS		111,711	1,707,403		2,069,114
LIABILITIES					
Current liabilities					
Bank indebtedness		20	-		20
Accounts payable and accrued liabilities		87,504	286,401		373,905
Market advances		-	52,232		52,232
Deferred tax liability		-	85,608		85,608
Current portion of long-term debt		-	245,065		245,065
Due to related parties		24,590	-		24,590
		112,114	669,306		781,420
Non-current liabilities					
Notes payable to related parties		-	575,832		575,832
Long term debt, less current portion		-	567,058		567,058
		-	1,142,196		1,142,890
TOTAL LIABILITIES		112,114	1,812,196		1,924,310
SHAREHOLDERS' EQUITY					
Share capital	3a	1,102,090	2,000	250,000	1,354,090
Share-based payment reserve		236,774	-		236,774
Deficit		(1339,267)	(106,793)		(1,446,060)
TOTAL EQUITY		(403)	(104,793)		144,804
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 111,711	\$ 1,707,403		\$2,069,114

HIGHMARK MARKETING INC.
(FORMERLY HIGHMARK ACQUISITIONS LTD.)
PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian dollars)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

	Notes	Highmark Nine months ended December 31, 2015	Lightning Nine months ended September 30, 2015	Pro-forma adjustments	Consolidated
Revenue		\$ -	\$ 1,977,219		\$ 1,977,219
Cost of sales		-	1,146,046		1,146,046
Gross profit		-	831,173		831,173
Expenses					
Commission and fees		-	49,670		49,670
Consulting fees		42,619	-		42,619
Depreciation		-	47,603		47,603
Filing fees		6,034	-		6,034
Freight expense		-	3,258		3,258
General and administrative		4,150	16,322		20,472
Insurance		-	28,996		28,996
Investor relations and promotions		3,950	126		4,076
Meals and entertainment		-	11		11
Professional fees		41,559	122,526		164,085
Repair and maintenance		-	2,521		2,521
Taxes and licenses		-	365		365
Salaries and employee benefits		-	28,784		28,784
Share-based compensation		22,431	-		22,431
Vehicle expenses		-	25,149		25,149
Utilities		-	17,469		17,469
		120,743	342,800		463,543
Other items					
Interest expense		-	(263,751)		(263,751)
Other expenses		-	(449)		(449)
Penalties and fines		-	(34,594)		(34,594)
Net and comprehensive income (loss)		\$ (120,743)	\$ 189,579		\$ 68,836

HIGHMARK MARKETING INC.
(FORMERLY HIGHMARK ACQUISITIONS LTD.)
PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited) (Expressed in Canadian dollars) FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Highmark Year ended March 31, 2015	Lightning Year ended December 31, 2014	Pro-forma adjustments	Consolidated
Revenue		\$ -	\$ 1,243,272		\$ 1,243,272
Cost of sales		-	1,080,581		1,080,581
Net profit		-	162,691		162,691
Expenses					
Asset investigation costs		659,900	-		659,900
Bad debts		-	47,248		47,248
Commission and fees		-	32,214		32,214
Consulting fees		340,226	-		340,226
Depreciation		-	54,989		54,989
Filing fees		31,461	-		31,461
Freight expense		-	1,287		1,287
Foreign exchange loss		909	-		909
General and administrative		17,057	8,757		25,814
Insurance		-	24,815		24,815
Inventory write-off		3,316	-		3,316
Investor relations and promotion		142,828	1,029		143,857
Meals and entertainment		16,898	330		17,228
Professional fees		161,331	21,339		182,670
Rent		-	164		164
Repair and maintenance		-	6,588		6,588
Salaries and employee benefits		-	28,944		28,944
Share-based compensation		214,343	-		214,343
Supplies		-	18,619		18,619
Taxes and licenses		-	223		223
Travel		4,279	3,605		7,884
Utilities		-	24,731		24,731
Vehicle expenses		-	29,817		29,817
Net operating profit		(1,592,548)	(142,008)		(1,734,556)
Other items					
Gain from disposition		388,634	-		388,634
Interest expense		-	(127,918)		(127,918)
Other expenses		-	(6,860)		(6,860)
Penalties and fines		-	(8,244)		(8,244)
Income (loss) before tax		(1,203,914)	(285,030)		(1,488,944)
Income tax benefit (expense)		-	96,088		96,088
Net and comprehensive income (loss)		\$ (1,203,914)	\$ (188,942)		\$ (1,392,856)

HIGHMARK MARKETING INC.
Notes to the Pro-forma Consolidated Financial Statements
Expressed in Canadian Dollars

1. BASIS OF PRESENTATION

These unaudited pro-forma consolidated financial statements have been compiled from and include:

- a) An unaudited pro-forma consolidated statement of financial position as at DECEMBER 31, 2015 combining
 - i) the statement of financial position of HIGHMARK MARKETING INC. ("Highmark") as at DECEMBER 31, 2015 derived from the unaudited financial statements of Highmark; and
 - ii) the statement of financial position of LIGHTNING INDUSTRIES ("Lightning") as at DECEMBER 31, 2015 derived from the unaudited financial statements of Lightning.

The unaudited pro-forma consolidated statement of financial position gives effect to the proposed transactions (see Note 2) as if they had occurred at DECEMBER 31, 2015. The Highmark acquisition is designed to result in the acquisition of 100 per cent of authorized share capital of Lightning and has been presented in these pro-forma financial statements as an acquisition of assets.

- b) An unaudited pro-forma consolidated statement of loss for the nine months ended DECEMBER 31, 2015 combining
 - i) the statement of loss for the nine months ended DECEMBER 31, 2015 of Highmark derived from the unaudited financial statements of Highmark for the three and nine month periods ended DECEMBER 31, 2015; and
 - ii) the statement of loss for the nine months ended SEPTEMBER 30, 2015 of Lightning derived from the unaudited financial statements of Lightning for the three month period ended DECEMBER 31, 2015.

The unaudited pro-forma consolidated statement of loss for the three months ended December 31, 2015 gives effect to the proposed transactions (see Note 2) as if they had occurred on April 1, 2015. The Highmark acquisition is designed to result in the acquisition of 100 per cent of authorized share capital of Lightning and any expenses previously incurred by Highmark is not reflective of the activity going forward therefore has not been presented in these pro-forma financial statements. Highmark incurred \$120,743 in total expenses during the nine months ended December 31, 2015 representing consulting, professional, share-based compensation, investor relations, filing and office expenses.

- c) An unaudited pro-forma consolidated statement of loss for the year ended MARCH 31, 2015 combining
 - i) the statement of loss for the year ended MARCH 31, 2015 of Highmark which has been derived from the financial statements of Highmark for the year ended MARCH 31, 2015; and
 - ii) the statement of loss for the year ended December 31, 2014 of Lightning which has been derived from the financial statements of Lightning for the year ended December 31, 2014.

The unaudited pro-forma consolidated statement of loss gives effect to the proposed transactions (see Note 2) as if they had occurred on April 1, 2014. The Highmark acquisition is designed to result in the acquisition of 100 per cent of authorized share capital of Lightning and any expenses previously incurred by Highmark is not reflective of the activity going forward therefore has not been presented in these pro-forma financial statements. Highmark incurred \$1,203,914 in total expenses during the year ended March 31, 2015.

The unaudited pro-forma consolidated financial statements have been compiled using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as set out in the audited financial statements of Highmark for the year ended March 31, 2015.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the financial statements and notes thereto of Highmark and Lightning described above. The unaudited pro-forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the continuing entity, Highmark, which would have actually resulted had the proposed transactions been effected on the dates indicated. Further, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

HIGHMARK MARKETING INC.
Notes to the Pro-forma Consolidated Financial Statements
Expressed in Canadian Dollars

1. BASIS OF PRESENTATION (Continued)

The pro-forma adjustments and allocations of the purchase price of Lightning by Highmark are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final purchase price allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of Highmark that exist as of the date of completion of the acquisition.

2. PROPOSED TRANSACTIONS

Highmark has entered into a share exchange agreement with Lightning to acquire 100% of Lightning's authorized share capital. The agreement to acquire Lightning contains the following key terms:

- Highmark will issue 40 million common shares to Domenari for the acquisition of Lightning.
- Highmark will issue a bonus of two million common shares to Domenari if Lightning records a profit for a single fiscal year, in either the first or second full fiscal year starting Jan. 1, 2015.
- Highmark will issue a second bonus of two million common shares to Domenari if Lightning records \$3-million in revenues in the first, second or third full fiscal year immediately following the effective date.
- Upon closing, Highmark will cause the board of directors to be Marc Branson, Donald Rainwater and David Taylor, and the officers to be Donald Rainwater (president and chief executive officer), Marc Branson (vice-president of corporate development) and a chief financial officer who will be jointly nominated at a later date.

The purchase shares will be subject to a stock restriction agreement which will contain the following vesting schedule.

Vesting date	Proportion of vested shares
On the closing date of the agreement (effective date)	10 per cent of the purchase shares
Six months after the effective date	15 per cent of the purchase shares
12 months after the effective date	15 per cent of the purchase shares
18 months after the effective date	15 per cent of the purchase shares
24 months after the effective date	15 per cent of the purchase shares
30 months after the effective date	15 per cent of the purchase shares
36 months after the effective date	the remainder of the purchase shares

The agreements described above are available on SEDAR at www.sedar.com.

3. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

a) Concurrently with the Transaction, Highmark will also complete a private placement to offer up to five million units at a price of five cents per unit for gross proceeds of up to \$250,000 (the "Financing"). Each unit consists of one common share and one full share purchase warrant. Each warrant will be exercisable into one common share for a period of 36 months from the date of issuance at a price of 7.5 cents per share. The common shares and warrants comprising the units will be subject to a four month and one day hold period in accordance with the policies of the Canadian Securities Exchange and applicable securities regulation.

HIGHMARK MARKETING INC.
Notes to the Pro-forma Consolidated Financial Statements
Expressed in Canadian Dollars

4. PRO-FORMA SHARE CAPITAL

Authorized

Unlimited common shares, without par value

Description of Security	Number of Securities	Percentage of Total
Shares issued and outstanding	57,790,428	55.37%
Shares reserved for issuance on exercise of Options	1,584,000	1.52%
Highmark Acquisition Shares	40,000,000	38.32%
Lightning Shares	2,000	0.002%
Shares to be issued pursuant to the Financing	5,000,000	4.79%
Total	104,376,428	100%

SCHEDULE F

Lightning's Management's Discussion and Analysis for the Fiscal Years Ended December 31, 2012, 2013 and 2014, and the Nine Month Period Ended September 30, 2015

[Inserted as Pages Following]

Lightning Industries, Inc.
Management's Discussion and Analysis
30 September 2015 and 31 December 2014, 2013 and 2012

The following table sets forth selected financial information for Lightning Industries, Inc. for the nine-months ended 30 September 2015 and the fiscal years ended 31 December 2014, 2013 and 2012 and selected balance sheet data as at 30 September 2015 and 31 December 2014, 2013, and 2012. Such information is derived from the financial statements of Lightning Industries, Inc. and should be read in conjunction with such financial statements, which are attached.

Lightning Industries, Inc. is not a reporting issuer and the following Management's Discussion and Analysis ("MD&A") has been prepared solely for inclusion in this Circular and should be read in conjunction with Lightning Industries, Inc.'s financial statements attached to this Circular. All amounts are in U.S. dollars unless otherwise noted.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The

Lightning Industries, Inc.
Management's Discussion and Analysis
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Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

General Overview

Lightning Industries, Inc. ("Lightning" or the "Company") was incorporated in 2002 for the purpose of manufacturing specialty products to enhance efficiency and increases the production of oil and gas wells and to provide custom fabrication for a wide range of commercial clients. Located in Hobbs, New Mexico Lightning Industries, Inc. is strategically located to service the West Texas and New Mexico oil and gas fields and the uranium processing industry in and around Hobbs. With sales offices in San Antonio and Laredo, Texas, Lightning has easy access to the major gas production basins in Mexico. In addition, marketing efforts have commenced in Central and South America, the Middle East, and Africa. However, there have been no foreign sales as of the date of these financials.

Selected Financial Information

The following table provides a brief summary of the company's financial position presented in US dollars ("US") and prepared in accordance with IFRS. The 2014, 2013 and 2012 results are audited, the one for 2015 reflect a financial review.

Statement of Financial Position

Statements of Financial Position	Nine Months Ended 30 September 2015 (reviewed) (US\$)	Fiscal Year Ended 31 December 2014 (audited) (US\$)	Fiscal Year Ended 31 December 2013 (audited) (US\$)	Fiscal Year Ended 31 December 2012 (audited) (US\$)
Cash and Equivalents	\$ 5,248	\$ 49,136	\$ 8,490	\$ 7,094
Total Current Assets	528,403	341,186	228,338	147,199
Total Non-Current Assets	1,179,000	1,240,234	1,184,971	1,232,680
Total Current Liabilities	669,306	783,714	472,141	332,840
Total Non-Current Liabilities	1,142,890	953,009	925,444	852,116
Working capital (Deficiency)	(140,903)	(442,528)	(243,803)	(185,641)
Members' Equity (Deficit)	\$ (104,793)	\$ (155,303)	\$ 15,724	\$ 194,923

Lightning Industries, Inc.
Management's Discussion and Analysis
30 September 2015 and 31 December 2014, 2013 and 2012

Results of Financial Position

As of 30 September 2015, Lightning Industries, Inc. had total current assets of US\$528,403 compared with US\$341,186, \$228,338 and \$147,199, respectively, which shows an increasing trend from 2012 to 2015. The increase in assets is mainly attributable to an increase in inventory, accounts receivable and employee advances. The increase was partially offset by a decrease in cash, prepaid expenses, deferred tax asset and property and equipment. Lightning Industries, Inc. had a working capital deficit of US\$140,903 at 30 September 2015 compared with a working capital deficit of US\$442,528 at 31 December 2014. The improvement of working capital at 30 September 2015 was attributed to reduction in accrued liabilities and market advances.

The following table provides a brief summary of the company's financial operations presented in US dollars ("US\$") and prepared in accordance with IFRS. The 2014, 2013 and 2012 results are audited, the one for 2015 reflect a financial review.

Statements of Profit and Loss	Nine Months Ended 30 September 2015 (reviewed) (US\$)	Fiscal Year Ended 31 December 2014 (audited) (US\$)	Fiscal Year Ended 31 December 2013 (audited) (US\$)	Fiscal Year Ended 31 December 2012 (audited) (US\$)
Sales	\$ 1,569,268	\$ 1,125,391	\$ 787,329	\$ 1,080,725
Cost of sales	909,587	978,125	755,681	922,381
Operating Expenses	272,072	275,809	223,965	230,724
Profit (loss) from operations	387,609	(128,543)	(192,317)	(72,380)
Profit (loss)	50,510	(171,027)	(179,199)	(102,795)
Basic and Diluted - per share	\$ 25.26	\$ (85.51)	\$ (89.60)	\$ (51.40)

Results of Financial Operations

During the nine months ended 30 September 2015, Lightning Industries, Inc.' sales increased by US\$443,877 over 2014. This increase in sales is due to the increased marketing presence and membership growth in that period.

During the year ended 31 December 2013, sales were lower than normal at \$787,329 due to lower product sale and unfavorable market conditions.

Cost of sales has remained fairly fair consistent from 2012 to 2015 except dropping in 2013 due to lower sales.

Operating expenses have remained consistent from 2012 to 2015.

The profit of US\$50,510 for the nine months ended 30 September 2015 increased from 2014, 2013 and 2012 due to product development, product promotions and traditional brand marketing have all increased during 2014. It is expected that Lightning Industries, Inc. will continue to show profits through 2015.

Lightning Industries, Inc. recorded US\$26,200 of salaries and wages during the twelve

Lightning Industries, Inc.
Management's Discussion and Analysis
30 September 2015 and 31 December 2014, 2013 and 2012

months ended December 31, 2014, compared to US\$nil during the twelve months ended December 31, 2013. This increase in salaries and wages is a result of increase in personnel utilized to assist in the growth and company operations.

Lightning Industries, Inc. recorded US\$42,768 of bad debts during the twelve months ended December 31, 2014, compared to US\$nil during the twelve months ended December 31, 2013. This increase in bad debts is a result of increase in uncollectible accounts receivable.

Advertising and promotional expenses increased by US\$265 during the twelve months ended December 31, 2014 over the comparative period. General and administrative expense increased by US\$51,844 during the twelve months ended December 31, 2014 over the comparative period. These increases were a result of increased activity and promotion of the Lightning Industries, Inc.' products.

Related party transactions

As of 30 September 2015, there are several notes payable to related entities, shareholders, and other related parties. These have all been included on the balance sheets as long-term liabilities with a balance of \$491,136 at 30 September 2015. In addition, the Company owes its owner and president for credit card purchases they made for the Company in 2011. These notes totaling \$84,696 carry a 6% interest rate and are due on 28 February 2017. The notes payable to related parties total \$575,832 and \$702,510 at 30 September 2015 and 31 December 2014, respectively.

During the year, the Company had the following transactions with related parties.

	Amounts Owed to Related Parties	
	2015	2014
Ronnie Burns	\$ 30,000	\$ 30,000
Isaacs International	10,000	10,000
Lee Alves	105,124	105,124
Kenny Shades	160,369	223,961
Due to Domenari LLC	180,643	243,729
Due to Don Rainwater	5,000	5,000
Lee Alves-Credit Card Payable	68,886	68,886
Domenari Credit Card Payable	15,810	15,810
	<u>\$ 575,832</u>	<u>\$ 702,510</u>

Off-Balance Sheet Arrangements

Lightning Industries, Inc. did not have any significant off-balance sheet arrangements.

Subsequent Events

The Company has evaluated events subsequent to 30 September 2015 that would possibly require adjustment or disclosure in these financial statements, through 25 January 2016, the date that these statements were available to be issued. Except for the paragraphs below, there were no events identified that require adjustment or disclosure as of 30 September 2015.

Lightning Industries, Inc.
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Another Company has entered into a non-binding letter of intent with Lightning Industries Inc. to acquire 100% of Lightning's authorized share capital. The Canadian Securities Exchange still needs to approve this acquisition for it to be official. As of 25 January 2016, this approval is still pending.

The last line item on the long-term debt schedule at Note J with a principal balance of \$37,222 expired 31 December 2014 and has not been paid in full as of 25 January 2016. The financing company has not called the loan or repossessed the secured equipment. The Company continues to make interest only payments.

Trends

Other than as disclosed in this Circular, Lightning Industries, Inc. is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its business, financial condition or results of operations.