

BRASSNECK CAPITAL CORP.

FILING STATEMENT

with respect to a Qualifying Transaction
with National Access Cannabis Corp.
pursuant to Policy 2.4 of the TSX Venture Exchange

AUGUST 28, 2017

*Neither the TSX Venture Exchange Inc. (the “**Exchange**”) nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.*

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AUDITORS’ CONSENT – KENWAY MACK SLUSARCHUK STEWART LLP

AUDITORS’ CONSENT – MNP LLP

ACKNOWLEDGEMENT OF PERSONAL INFORMATION

CERTIFICATE OF BRASSNECK CAPITAL CORP.

CERTIFICATE OF NATIONAL ACCESS CANNABIS CORP.

GLOSSARY OF TERMS

Unless the context otherwise provides, the following terms used in this Filing Statement and the Appendices hereto shall have the meanings ascribed to them as set forth below:

“**ABCA**” means the *Business Corporations Act* (Alberta), as may be amended from time to time, including all regulations promulgated thereunder;

“**ACMPR**” means *Access to Cannabis for Medical Purposes Regulations*, SOR/2016-230, as may be amended from time to time;

“**Affiliate**” means a Company that is affiliated with another Company as described below:

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

“**Agency Agreement**” means the agency agreement dated July 10, 2017, between Brassneck, NAC and the Agents in connection with the Private Placement;

“**Agent’s IPO Option**” means the non-transferable options issued to PI as partial consideration for its services to the Corporation in connection with the IPO, entitling PI to purchase up to 273,900 Common Shares at a price of \$0.10 per Common Share exercisable until March 16, 2018;

“**Agents**” means PI and Canaccord Genuity Corp. as co-lead agents and joint book runners in respect of the Private Placement;

“**Agent Broker Warrants**” means the 960,000 non-transferable brokers warrants of NAC to be issued to the Agents pursuant to the Agency Agreement as partial consideration for their services in connection with the Private Placement, entitling the Agents to purchase NAC Shares or, after the Closing Date, Resulting Issuer Shares, at an exercise price of \$0.25 per NAC Share or Resulting Issuer Share, as applicable, exercisable within two years after the C Private Placement Closing Date;

“**Agents Convertible Note Warrants**” means the non-transferable brokers warrants of NAC issued to PI as partial consideration for their services in connection with the non-brokered Convertible Note Financing, entitling PI to purchase up to 150,000 NAC Shares or, after the Closing Date, 150,000 Resulting Issuer Shares, at an exercise price of \$0.20 per NAC Share or Resulting Issuer Share, as applicable, exercisable within two years after the Convertible Note Financing Closing Date;

“**Amalco**” means the amalgamated company continuing following the Amalgamation, which will be a wholly-owned subsidiary of the Resulting Issuer following Completion of the Qualifying Transaction and continue under the name National Access Clinic Corp.;

“**Amalco Shares**” means the common shares of Amalco;

“**Amalgamation**” means the amalgamation of NAC and Brassneck Subco to be completed pursuant to the BCBCA and the terms and conditions of the Amalgamation Agreement, pursuant to which: (a) all of the securityholders of NAC will become securityholders of the Resulting Issuer; and (b) Amalco will become a wholly-owned subsidiary of the Resulting Issuer;

“**Amalgamation Agreement**” means the amalgamation agreement dated July 10, 2017, among Brassneck, Brassneck Subco and NAC pursuant to which the Corporation will acquire all of the issued and outstanding NAC Shares and other securities issued by NAC by way of a three-cornered amalgamation;

“**Associate**” when used to indicate a relationship with a Person or Company, means:

- (a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
 - (b) any partner of the Person or Company,
 - (c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,
 - (d) in the case of a Person, a relative of that Person, including
 - (i) that Person’s spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;
- but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended;

“**Board**” means the board of directors of the Corporation or the Resulting Issuer, as applicable to the context;

“**Brassneck**” or “**Corporation**” means Brassneck Capital Corp., a corporation incorporated under the ABCA;

“**Brassneck Name Change**” means the name change of Brassneck to “National Access Cannabis Corp.”, as approved by the Brassneck Shareholders at the Brassneck Shareholder Meeting and to be completed immediately prior to Closing of the Transaction;

“**Brassneck Shareholder Meeting**” means the annual and special meeting of Brassneck Shareholders held June 6, 2017;

“**Brassneck Shareholders**” means the holders of Common Shares;

“**Brassneck Share Split**” means the share split of Common Shares on the basis of 1.205 post-share split Common Shares for every 1 pre-share split Common Share, as approved by the Brassneck Shareholders at the Brassneck Shareholder Meeting;

“**Brassneck Subco**” means 1119622 B.C. Ltd., a wholly-owned subsidiary of Brassneck incorporated under the BCBCA for the purposes of completing the Transaction;

“**Bridge Loan**” means the advance of \$225,000 from Brassneck to NAC on July 28, 2017 in connection with the Proposed Transaction pursuant to the Loan Agreement;

“**CannApply**” Wilson Master Apps Inc., d.b.a. CannApply;

“**CannApply Acquisition**” means the acquisition by NAC of CannApply by share exchange of all of the issued and outstanding shares of CannApply;

“**CDSA**” means the *Controlled Drugs and Substances Act* (Canada), S.C. 1996, c. 19;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

“**Closing**” means the completion of the Transaction in accordance with the terms of the Amalgamation Agreement;

“**Closing Date**” means the date upon which the Corporation completes the Transaction, which is anticipated to be on or before August 30, 2017, or such later date as Brassneck and NAC may agree;

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange;

“**Control Person**” means any Person or Company that holds or is one of a combination of Persons or Companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**Convertible Note Financing**” means the non-brokered private placement of NAC of \$1,000,000 principal amount of Convertible Notes, completed on the Convertible Note Financing Closing Date;

“**Convertible Note Financing Closing Date**” means April 11, 2017;

“**Convertible Notes**” means the convertible notes of NAC issued under the Convertible Note Financing, pursuant to which the holders thereof will be paid interest at a rate of 10% per annum, payable semi-annually, with any accrued interest to be forgiven upon closing of the Transaction and which provide that immediately prior to Closing of the Transaction, each convertible note will automatically convert into one NAC Share at a deemed exercise price of \$0.20 per NAC Share immediately prior to the closing of the Transaction;

“**COO**” means Chief Operating Officer;

“**CPC**” means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada,
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the completion of the Qualifying Transaction has not yet occurred;

“**CPC Escrow Agreement**” means the Form 2F – *CPC Escrow Agreement* dated December 18, 2015, among the Corporation, the Transfer Agent and certain securityholders of the Corporation;

“**CPC Policy**” means TSXV Policy 2.4 - *Capital Pool Companies*;

“**Effective Date**” means the effective date of this Filing Statement, being August 30, 2017;

“**Engagement Letter**” means the engagement letter dated March 29, 2017, entered into among Brassneck, NAC and the Agents relating to the Private Placement;

“**Escrow Agent**” means TSX Trust Company, as escrow agent for the Escrowed Funds, or its successor from time to time;

“**Escrowed Funds**” means the gross proceeds of the Private Placement, delivered to the Escrow Agent to be held in escrow and released upon delivery of the Release Notice to the Escrow Agent;

“**Escrow Policy**” means TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*;

“**Escrow Release Conditions**” means the conditions to be satisfied in order to release the Escrowed Funds pursuant to the Subscription Receipt Agreement and includes: (a) all conditions precedent to the Closing of the Transaction shall have been satisfied or waived to the satisfaction of Brassneck and NAC; (b) the TSXV shall have conditionally approved the listing of the Resulting Issuer Shares on the TSXV; (c) all regulatory, shareholder and third-party approvals, if any, required in connection with the Transaction shall have been received (other than the final approval of the TSXV); and (d) NAC shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived by the Agents, and all conditions set out in the Agency Agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of NAC;

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange Inc.;

“**Filing Statement**” means this filing statement of the Corporation including all Appendices attached hereto and amendments hereof, if any;

“**Final Exchange Bulletin**” means the bulletin which is issued by the Exchange following Closing and the submission of all required documentation and that evidences the final acceptance of the Qualifying Transaction by the TSXV;

“**IFRS**” means International Financial Reporting Standards;

“**Initial Listing Requirements**” has the meaning ascribed to such term in TSXV Policy 2.1 – *Initial Listing Requirements*;

“**IPO**” means the initial public offering of Common Shares, completed by way of CPC prospectus, completed March 10, 2016 pursuant to which 2,739,000 Common Shares were sold at a price of \$0.10 per Common Share for gross proceeds of \$273,900;

“**IPO Agency Agreement**” means the agency agreement entered into in connection with the IPO, between the Corporation and PI, dated December 18, 2015;

“**Insider**” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer,
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer,
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer, or

(d) the issuer itself if it holds any of its own securities;

“**ITA**” means the *Income Tax Act* (Canada);

“**KMSS**” means Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, the auditors of the Corporation;

“**Letter of Intent**” means the letter agreement between the Corporation and NAC dated March 29, 2017 with respect to the Proposed Transaction;

“**Licensed Producer**” or “**LP**” means the holder of a license issued under section 35 of the ACMPR;

“**Loan Agreement**” means the loan agreement dated July 27, 2017 between Brassneck and NAC providing for the Bridge Loan in accordance with TSXV Policies;

“**MNP**” means MNP LLP, Chartered Accountants, auditors of NAC;

“**NAC**” means National Access Cannabis Corp., a private corporation incorporated under the BCBCA;

“**NA Canada**” means National Access Canada Corporation, a private corporation incorporated under the Canada *Business Corporations Act*;

“**NA Canada Acquisition**” means the acquisition by NAC by share exchange of all of the issued and outstanding shares of NA Canada;

“**NAC Board**” means the board of directors of NAC;

“**NAC Name Change**” means the name change of NAC to “National Access Clinic Corp.”, as approved by the NAC Shareholders at the NAC Shareholder Meeting, and to be completed immediately prior to Closing of the Transaction;

“**NAC Option Conversion Agreements**” means the agreements entered into by NAC and each NAC Optionholder prior to Closing, pursuant to which the parties agreed that all NAC Options will be exchanged for one Resulting Issuer Option with identical terms of the corresponding NAC Option upon Closing of the Transaction;

“**NAC Option Plan**” means the incentive stock option plan of NAC;

“**NAC Optionholders**” mean the holders of NAC Options;

“**NAC Options**” means the options to purchase NAC Shares pursuant to the NAC Option Plan;

“**NAC Shareholder Meeting**” means the annual and special meeting of NAC Shareholders held August 16, 2017;

“**NAC Shareholders**” mean the holders of NAC Shares;

“**NAC Shares**” means the common shares in the capital of NAC;

“**Non-Arm’s Length Party**” has the meaning given to such term in TSXV Policy 1.1 – *Interpretation*;

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**Option Plan**” means the incentive stock option plan of the Corporation effective November 13, 2015;

“**Options**” means options to purchase Common Shares pursuant to the Option Plan;

“**PBDC**” means Paskwayak Business Development Corporation;

“**Person**” means a Company or an individual;

“**Performance Escrow**” means the escrow of the Performance Shares held by Owen Bird Law Corporation in escrow and issued to various employees and consultants of NAC, to be released to and vest in the applicable Performance Parties entitled to receive Performance Shares from time to time upon meeting certain pre-defined events and milestones in the Performance Escrow Agreement specific to each Performance Party;

“**Performance Escrow Agreements**” means the escrow agreements entered into between NAC, Owen Bird Law Corporation and the Performance Parties pursuant to which the Performance Shares were issued into the Performance Escrow with Owen Bird Law Corporation and which Performance Shares will vest for the Performance Party based on the criteria specified in the agreement with such Performance Party and “**Performance Escrow Agreement**” means any of these agreements;

“**Performance Parties**” means the employees and consultants who are counterparties to the Performance Escrow Agreements with NAC and “**Performance Party**” means any of them;

“**Performance Shares**” means the 8,074,800 NAC Shares issued to and held by certain consultants and employees of NAC pursuant to various consulting and employment agreements, each Performance Share subject to Performance Escrow;

“**PI**” means PI Financial Corp.;

“**Preferred Shares**” means the preferred shares in the capital of the Corporation;

“**Private Placement**” means the brokered private placement of 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for gross proceeds to NAC of \$6,000,000, completed pursuant to the Agency Agreement on the Private Placement Closing Date;

“**Private Placement Closing Date**” means July 10, 2017;

“**Pro-Forma Financial Statements**” means the unaudited pro-forma financial statements of the Resulting Issuer as at March 31, 2017 and the notes thereto, attached to this Filing Statement as **Appendix “E”**;

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, acquisition, merger or arrangement with another company or by other means within the CPC Policy;

“**Release Notice**” means the notice to be delivered to the Escrow Agent by NAC upon satisfaction of the Escrow Release Conditions;

“**Resulting Issuer**” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin;

“**Resulting Issuer Broker Warrants**” means the warrants of the Resulting Issuer to be issued to the holders of the Agent’s IPO Option, the Agent Broker Warrants and the Agents’ Convertible Note Warrants, entitling the holders thereof to purchase one Resulting Issuer Share at exercise prices ranging from \$0.083 per Resulting Issuer Share to \$0.25 per Resulting Issuer Share;

“**Resulting Issuer Escrow Agreement**” means TSX Venture Exchange Form 5D - *Escrow Agreement*, pursuant to which certain Resulting Issuer Shares to be issued by the Corporation to certain of the NAC Shareholders in connection with the Proposed Transaction will be deposited and held in escrow by the Transfer Agent;

“**Resulting Issuer Options**” means the options to be granted by the Resulting Issuer to certain directors, officers, employees and consultants of the Resulting Issuer and its Affiliates under the Option Plan and includes options received by the NAC Optionholders in connection with the Transaction pursuant to the Amalgamation Agreement and NAC Option Conversion Agreements;

“Resulting Issuer Escrow Shares” means Resulting Issuer Shares required to be held in escrow pursuant to Section 4 of TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*;

“Resulting Issuer Shares” means common shares of the Resulting Issuer, after the Closing;

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange;

“Sponsor” has the meaning specified in the Sponsorship Policy;

“Sponsorship Policy” means TSXV Policy 2.2- *Sponsorship and Sponsorship Requirements*;

“Subscription Receipts” means the subscription receipts of NAC issued under the Private Placement, which shall be deemed to be exercised immediately prior to closing of the Transaction, without payment of any additional consideration and without further action on the part of the holder thereof, into one NAC Share upon satisfaction of the Escrow Release Conditions, subject to adjustment in certain events;

“Subscription Receipt Agreement” means the agreement dated July 10, 2017 between Brassneck, NAC, the Agents and the Escrow Agent governing the holding and release of the Escrowed Funds and the exercise of the Subscription Receipts;

“Subsidiary” has the meaning set forth in the ABCA;

“Transfer Agent” means TSX Trust Company, the transfer agent and registrar of the Corporation, or its successors from time to time;

“Transaction” or **“Proposed Transaction”** means the reverse takeover of the Corporation by NAC for the purposes of completing the Corporation’s Qualifying Transaction, as described in *“Part III – Information Concerning the Transaction”*;

“Victoria Clinic” means the National Access Cannabis clinic located at 2571 Quadra Street, Victoria B.C.; and,

“Victoria Repurchase” means the re-acquisition of the Victoria Clinic by NAC in November 2016.

Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders.

All references to dollars amounts or “\$” herein are to the lawful currency of Canada, unless otherwise stated.

FORWARD LOOKING STATEMENTS AND CAUTIONARY INFORMATION

This Filing Statement contains forward-looking statements concerning the business, operations and financial performance and condition of the Corporation, NAC and the Resulting Issuer, as applicable. All statements other than statements of historical fact contained in this Filing Statement are forward looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Corporation, NAC or the Resulting Issuer. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “forecasts”, “budgets”, “continuous” or similar words or the negative thereof.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Filing Statement reflect the current expectations, assumptions or beliefs of the Corporation based on information currently available to it and on management’s experience and expertise. Examples of such statements include: (A) the intention to complete the Transaction and the Private Placement; (B) the description of the Resulting Issuer that assumes Completion of the Qualifying Transaction; and (C) the intention to grow the business and operations of the Corporation. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “*Part I – Risk Factors Associated with the Transaction*” section of this Filing Statement. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this Filing Statement. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management currently believes to be reasonable assumptions, the Corporation cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The Corporation assumes no responsibility to update forward looking statements, other than as may be required by applicable securities laws.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to:

- (a) failure to complete the Private Placement;
- (b) the use of funds available to the Resulting Issuer;
- (c) results of various projects of the Resulting Issuer;
- (d) cost structure of certain projects of the Resulting Issuer;
- (e) growth expectations of the Resulting Issuer;
- (f) the tax horizon of the Resulting Issuer;
- (g) capital expenditure programs and the timing and funding thereof;
- (h) the impact of federal, state, provincial, territorial and other governmental regulation on the Resulting Issuer, relative to other issuers of similar size participating in similar business environments;
- (i) increased governmental regulation;
- (j) expectations relating to the ability of the Resulting Issuer to raise capital;
- (k) treatment under governmental regulatory regimes and tax laws;
- (l) the payment of dividends;
- (m) conflicts of interest;
- (n) changes in key management;
- (o) expansion plans of NAC and the Resulting Issuer not being completed as expected or at all;
- (p) trademark challenges;

- (q) realization of the anticipated benefits of acquisitions and dispositions; and
- (r) the timing and completion of the Transaction.

The forward-looking statements contained in this Filing Statement speak only as of the date of this Filing Statement. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Corporation assumes no obligation to update these forward-looking statements except as may otherwise be required pursuant to applicable laws.

INFORMATION CONCERNING NAC

The information contained or referred to in this Filing Statement relating to NAC has been furnished by NAC. Although the Corporation has no knowledge that would indicate that any statements contained herein concerning NAC are untrue or incomplete, neither the Corporation nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by NAC to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information or for any failure by NAC to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

SUMMARY

The following is a summary of information relating to the Corporation, NAC, the Proposed Transaction and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Filing Statement and in this Summary. This Filing Statement has been prepared in accordance with TSXV Policy 2.4 – Capital Pool Companies and TSXV Form 3B2 – Information Required in a Filing Statement for a Qualifying Transaction. All information provided in this summary and in this Filing Statement is current as of August 28, 2017.

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

Corporation and Brassneck Subco

The Corporation was incorporated under the ABCA on June 18, 2015 and has its registered office located at 1900, 520 – 3rd Avenue SW, Calgary, Alberta, T2P 0R3. The Corporation is a CPC under CPC Policy. On March 10, 2016, the Corporation completed its IPO of 2,739,000 Common Shares at \$0.10 per Common Share for gross proceeds of \$273,900.

The Common Shares began trading on the Exchange effective March 15, 2016, under the symbol “BC.P”. Since listing on the Exchange, the principal business of the Corporation has been identifying and evaluating assets or businesses with a view to completing a Qualifying Transaction. Trading in the Common Shares was halted on March 29, 2017. The Common Shares will remain halted until the Corporation receives a Final Exchange Bulletin regarding its Qualifying Transaction.

Brassneck Subco was incorporated under the provisions of the BCBCA on May 18, 2017 and has its registered and records office located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC V6C 3L6. Brassneck Subco is a wholly-owned subsidiary of the Corporation, incorporated by the Corporation for the purposes of completing the Transaction.

See “*Part II – Information Concerning the Corporation – Name and Incorporation*” and “*Part II – Information Concerning the Corporation – History*”.

NAC

NAC owns and operates clinics that aim to connect Canadians with ACMPR Licensed Producers by advancing the understanding of who medical cannabis helps and giving Canadians access to related services and (non-cannabinoid) products, including access to qualified health care practitioners and independent medical marijuana evaluations and advice. NAC’s first clinic was opened in Ottawa, Ontario in June 2015. NAC now operates 10 clinics in Canada, and has plans to open several more clinics and kiosk operations within the next 12 months. The kiosk operations are mini-clinics inside the operations of synergistic strategic partners in quasi-medical operations. NAC helps patients find and manage treatments for their medical problems through the use of medical marijuana and cannabinoid products through providing information to patients, physicians and the community and simplifying communication with ACMPR Licensed Producers.

NAC has a team of dedicated professionals with decades of experience in business development, finance and the medical marijuana industry:

Chuck Rifici – Chairman. Co-founder and former CEO of Canopy Growth Corp. Currently serves as Chairman and CEO of NestaHolding Co. Ltd. and Chairman and CEO of Cannabis Wheaton Income Corp.

Mark Goliger – CEO. Former COO of Qualicare Family Homecare and Right at Home Canada.

Derek Ogden – President & COO. Former member of the Royal Canadian Mounted Police and officer in charge of drug enforcement and Director General of Drugs & Organized Crime branch.

Michael Best – CFO. 26-year veteran in accounting and financial management. Formerly VP and CFO of Computer Media Products.

Rocco Meliambro – Director. 20-year investment industry veteran. Formerly with Lawson & Co. Ltd. and Research Capital Corp.

See “*Part IV – Information Concerning NAC – General Development of the Business*”.

**Convertible Note
Financing**

On April 11, 2017, NAC completed a non-brokered private placement of \$1,000,000 aggregate principal amount of Convertible Notes. Pursuant to the terms of the Convertible Notes, each of the holders thereof will be paid interest at a rate of 10% per annum, payable semi-annually, with any accrued interest to be forgiven upon Closing of the Transaction; immediately prior to Closing of the Transaction, each Convertible Note will automatically convert into one NAC Share at a deemed exercise price of \$0.20 per NAC Share. The Convertible Notes are exercisable into 5,000,000 NAC Shares immediately prior to closing of the Transaction. See “*Part III – Information Concerning the Transaction – Convertible Note Offering and NAC Name Change*”.

Qualifying Transaction

The Corporation and NAC entered into a Letter of Intent on March 29, 2017 whereby NAC agreed to acquire the Corporation by way of a reverse takeover. Pursuant to the terms of the Letter of Intent NAC shall have entered into the NAC Option Conversion Agreements with each NAC Optionholder, whereby the parties agreed upon Closing of the Transaction that each NAC Option will be exchanged for one Resulting Issuer Option with identical terms to the NAC Option surrendered under the NAC Option Conversion Agreement.

The Corporation, NAC and Brassneck Subco entered into the Amalgamation Agreement on July 10, 2017. Pursuant to the Amalgamation Agreement, NAC and Brassneck Subco will complete the Amalgamation in accordance with the provisions of the BCBCA such that: (a) the NAC Shareholders will exchange each NAC Share for one Resulting Issuer Share; (b) the NAC Optionholders will exchange each NAC Option for one Resulting Issuer Option; and (c) the holders of the Agent’s Option, the Agent Brokers Warrants and the Agents’ Convertible Note Warrants will exchange each such security for one Resulting Issuer Broker Warrant. Under the terms of the Transaction, the Corporation shall issue Common Shares at a deemed price of \$0.25 per Common Share to the NAC Shareholders and issue an aggregate of 107,612,568 post-Share Split Common Shares to NAC Shareholders in connection with the Transaction. Excluding the NAC securities issued under the Convertible Note Financing and Private Placement, the Corporation shall pay NAC Shareholders deemed consideration of approximately \$19,653,142 The Transaction will result in NAC becoming a wholly-owned subsidiary of the Corporation.

In addition to the Amalgamation, there are a number of transactions that are expected to occur concurrently with or prior to the Amalgamation, including the Private Placement, the Brassneck Share Split, the Brassneck Name Change and the NAC Name Change.

See “*Part III – Information Concerning the Transaction*”

Private Placement

In conjunction with the Proposed Transaction, NAC has raised gross proceeds of \$6,000,000 through the sale of 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt under the Private Placement. The proceeds of the Private Placement will be used as set forth under “*Part V - Information Concerning the Resulting Issuer - Available Funds and Principal Purposes Summary*”. Each Subscription Receipt shall be deemed to be exercised immediately prior to Closing of the Transaction, without payment of any additional consideration and without further action on the part of the holder thereof, into one NAC Share upon satisfaction of the Escrow Release Conditions, subject to adjustment in certain events.

See “*Part III – Information Concerning the Transaction – Private Placement*”

Conditions to Completion of the Transaction

The Closing of the Transaction is subject to certain conditions, including but not limited to, receipt of all necessary regulatory and third party approvals and the Exchange being satisfied that after Completion of the Qualifying Transaction that the Resulting Issuer will satisfy the Exchange’s Initial Listing Requirements in order to become a Tier 2 Issuer in the Life Sciences Segment. Pursuant to the provisions of the BCBCA, on August 16, 2017 NAC the NAC Shareholder Meeting and obtained approval of the NAC Shareholders by special resolution. See “*Part III – Information Concerning the Transaction*”

Resulting Issuer

The Resulting Issuer will be named “National Access Cannabis Corp.” or such other name as may be accepted by the relevant regulatory authorities, approved by the Board and agreed upon by the Parties. Brassneck has received shareholder approval for the Brassneck Name Change, and has reserved with the Exchange the stock symbol “NAC” for the Resulting Issuer. The Resulting Issuer will carry on the business of NAC. NAC will be named “National Access Clinic Corp.” or such other name as may be accepted by the relevant regulatory authorities, approved by the board of directors of NAC, and agreed upon by the parties to the Transaction. NAC does not require shareholder approval for the NAC Name Change. See “*Part IV – Information Concerning NAC – General Development of the Business*”.

Upon Completion of the Qualifying Transaction, it is anticipated that the Board of the Resulting Issuer will consist of Chuck Rifici, Rocco Meliambro, Dr. John Gillis, Jeff Hunt and Marc Lustig. Mark Goliger will be appointed CEO, Michael Best will be appointed CFO, Derrick Ogden will be appointed President & COO, and Michael Saliken will be appointed Corporate Secretary of the Resulting Issuer. See “*Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

After completion of the Transaction (including the conversion of the Convertible Notes and conversion of the Subscription Receipts issued under the Private Placement), it is expected that: (a) the current holders of Brassneck Shares will hold 8,361,495 Resulting Issuer Shares, representing approximately 7% of the outstanding Resulting Issuer Shares; (b) the former shareholders of NAC Shares will hold 78,612,568 Resulting Issuer Shares, representing approximately 68% of the outstanding Resulting Issuer Shares; (c) holders of NAC Shares issued on the conversion of the Convertible Notes will hold 5,000,000 Resulting Issuer Shares, representing approximately 4% of the outstanding Resulting Issuer Shares; and (d) subscribers to the Private Placement will hold approximately 24,000,000 Resulting Issuer Shares, representing approximately 21% of the outstanding Resulting Issuer Shares. Additionally, 1,440,050 Resulting Issuer Broker Warrants and 8,269,004 Resulting Issuer Options will be issued and outstanding. See “*Part V – Information Concerning the Resulting Issuer – Options to Purchase Securities*”.

**Interest of Insiders,
Promoters or Control
Persons**

Except as otherwise stated herein, none of the Insiders, Promoters or Control Persons of Brassneck or any of their respective Associates and Affiliates (before and after giving effect to the Qualifying Transaction) have any interest in the Qualifying Transaction. See “*Part V – Information Concerning the Resulting Issuer – Management*”.

**Directors and Officers of
the Resulting Issuer**

It is anticipated that the directors and officers of the Resulting Issuer, and the number and percentage of Common Shares over which such directors and officers, and the Associates and Affiliates of such directors and officers, exercise control, will be as set forth below.

Proposed Directors and Officers	Number and Percentage of Common Shares After Giving Effect to the Acquisition⁽¹⁾
Mark Goliger, CEO <i>Burlington, Ontario</i>	1,500,000 (1.29%)
Michael Best, CFO <i>Ottawa, Ontario</i>	1,000,000 (0.86%)
Derek Ogden, President & COO <i>Ottawa, Ontario</i>	1,150,000 (1.00%)
Michael Saliken, Corporate Secretary <i>Calgary, Alberta</i>	241,000 0.21%
Chuck Rifici, Director <i>Ottawa, Ontario</i>	9,240,000 (7.97%)
Marc Lustig, Director ⁽²⁾ <i>Vancouver, British Columbia</i>	0 (N/A)
Rocco Meliambro, Director ⁽²⁾ <i>Ottawa, Ontario</i>	9,676,860 (8.34%)
Dr. John Gillis, Director ⁽²⁾ <i>Halifax, Nova Scotia</i>	100,000 (0.09%)
Jeff Hunt, Director <i>Ottawa, Ontario</i>	4,700,000 (4.05%)

Notes:

⁽¹⁾ Based on the anticipated total amount of 115,974,063 Resulting Issuer shares issued and outstanding upon Completion of the Qualifying Transaction, which assumes that: (a) 24,000,000 NAC Shares will be issued pursuant to the conversion of the Subscription Receipts sold in the Private Placement; (b) 5,000,000 NAC Shares will be issued pursuant to the conversion of the Convertible Notes concurrently with conversion of the Subscription Receipts; (c) completion of the Brassneck Share Split; and (d) that no convertible securities of either NAC or the Corporation are exercised prior to Closing of the Transaction.

⁽²⁾ Anticipated Member of the Audit Committee.

See “*Part V – Information Concerning the Resulting Issuer – Management*”.

**Non-Arm’s Length Party
Transaction**

The Transaction, if completed, is not a Non-Arm’s Length Qualifying Transaction.

Available Funds

It is anticipated that upon completion of the Proposed Transaction, the Resulting Issuer will have approximately \$4,610,782 in available funds at Closing, including the net proceeds to NAC from the Private Placement and the Convertible Note Financing. These funds will consist mainly of cash, which will be used as set forth below and under “*Part V – Information Concerning the Resulting Issuer – Funds Available*”.

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the Completion of the Qualifying Transaction:

Source of Funds	Amount Assuming Completion of the Transaction
Approximate Working Capital (Deficit) of NAC as of July 31, 2017	(\$1,087,000)
Approximate Working Capital (Deficit) of Brassneck as of July 31, 2017	\$87,782
Funds raised pursuant to Concurrent Private Placement ⁽¹⁾	\$5,760,000
Costs of Transaction	(\$150,000)
Total Funds Available on Completion of the Qualifying Transaction	\$4,610,782

(1) Based on gross proceeds of \$6,000,000 in the Private Placement and after the reduction of Agent Fees pursuant to the Agency Agreement.

Principal Purposes of Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction and the proposed use of such funds over the next 12 months and contains forward looking information developed for this Filing Statement and approved by management of NAC on August 28, 2017:

Use of Available Funds	Amount Assuming Completion of Transaction
Funds available upon Completion of the Qualifying Transaction	\$4,610,872
Anticipated net cash from operations of the Resulting Issuer in next 12 months ⁽¹⁾	\$1,883,000
Total Available Funds	\$6,493,782
General and Administrative costs (12 months)	\$4,395,000
Location Expansion ⁽²⁾	\$1,000,000
Strategic Partnerships ⁽³⁾	\$750,000
Payable to former CannApply shareholders upon completion of Qualifying Transaction ⁽⁴⁾	\$175,000
Payable to former owner of Victoria location upon completion of Qualifying Transaction ⁽⁵⁾	\$50,000
Unallocated working capital	\$123,782
Total Use of Available Funds	\$6,493,782

Notes:

- (1) This constitutes future-oriented financial information and states the Resulting Issuer's expectations based on the growth rates of NAC's existing locations over the past six (6) months.
- (2) The Resulting Issuer intends to open up to five (5) new clinics during the next twelve (12) months following completion of the Transaction. Total costs to accomplish this objective are estimated to be \$1,000,000. Please see "Part V. Information Concerning the Resulting Issuer – Narrative Description

of the Business – Stated Business Objectives and Milestones.”

- (3) The Resulting Issuer intends to accomplish the following goals during the twelve (12) months following completion of the Transaction: (i) sign distribution agreements with 10 new Licensed Producers; (ii) expand the Business and the number of clinic locations through strategic partnerships and joint ventures; and (iii) establish relationships with 15 new prescribing doctors and referring clinics. Total costs to accomplish this objective are estimated to be \$750,000. Please see “Part V. Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones.”
- (4) Pursuant to agreements relating to the CannApply Acquisition, (as disclosed herein) the Resulting Issuer will be required to make a payment of \$175,000 upon completion of the Transaction.
- (5) Pursuant to the purchase agreement related to the purchase and sale of the Victoria Clinic, (as disclosed herein) the Resulting Issuer will be required to make a payment of \$50,000 upon completion of the Transaction.

The Resulting Issuer will use funds available to provide the Resulting Issuer with working capital to assist in the development of NAC’s business strategy, including growth of the number of clinics owned and operated by NAC and to build out NAC’s strategic partner network.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Brassneck and NAC consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises.

See “Part V – Information Concerning the Resulting Issuer – Funds Available”. Further, the above uses of available funds should be considered estimates. See “Forward-Looking Statements and Cautionary Information”.

Selected Pro Forma Consolidated Financial Information for the Resulting Issuer as at March 31, 2017

The following table summarizes selected pro forma financial information for the Resulting Issuer as at March 31, 2017, assuming completion of the Transaction and the Private Placement. The information should be read in conjunction with the Resulting Issuer’s pro forma financial statements and related notes and other financial information included in Appendix E in this Filing Statement.

	Resulting Issuer ⁽¹⁾
Current Assets	\$6,663,616
Total Assets	\$9,072,461
Current Liabilities	\$1,619,550
Share Capital	\$14,983,633
Contributed Surplus	\$240,404
Accumulated Deficit	(\$7,876,122)
Shareholders’ Equity (Deficiency)	\$7,440,257

See Appendix E - “Pro Forma Financial Statements of the Resulting Issuer”.

Notes:

(1) This does not include expenses of the Private Placement other than the fees paid to the Agents pursuant to the Agency Agreement.

Market for Securities	The Common Shares are listed on the Exchange under the trading symbol “BC.P”. The closing trading price of the Common Shares as of March 28, 2017, the last day the Common Shares were eligible for trading prior to the Effective Date, was \$0.08 per Common Share. There is currently no public market for the NAC Shares or any securities of NAC. It is anticipated that the Common Shares will resume trading on the Exchange upon Completion of the Qualifying Transaction under the symbol “NAC”. See “ <i>Part II – Information Concerning the Corporation – Prior Sales – Stock Exchange Price</i> ”.
Sponsor	No sponsor has been retained in connection with the Qualifying Transaction of the Corporation. The Corporation has applied to the Exchange for an exemption from the sponsorship requires contained in the applicable Exchange policies. Subject to completion of satisfactory due diligence, PI has agreed to provide the Exchange with a confirmation letter contemplated by Section 3.4 of the Sponsorship Policy. See “ <i>Part VI – General Matters – Sponsors</i> ”.
Interests of Experts	KMSS are the auditors of Brassneck and MNP are the auditors of NAC. Each such firm is independent of each of Brassneck and NAC within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta. None of the foregoing persons or any of their respective directors, officers or employees beneficially own, directly or indirectly, any securities, nor do they have any interest in the property of, Brassneck, NAC, the Resulting Issuer or any of their Associates or Affiliates. See “ <i>Part VI – General Matters – Interests of Experts</i> ”.
Conflicts of Interest	Certain of the directors and officers of the Corporation are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. See “ <i>Part V - Information Concerning the Resulting Issuer - Management - Conflicts of Interest</i> ” and “ <i>Part I - Risk Factors</i> ”.
Risk Factors	In addition to the risk that approval may not be obtained from the Exchange for the Transaction, there are inherent risks associated with the Transaction which will comprise the Resulting Issuer’s business upon Completion of the Qualifying Transaction. For a more fulsome discussion of relevant risk factors, see “ <i>Part I –Risk Factors</i> ”.
Conditional Approval	The Exchange has conditionally accepted the Transaction as the Qualifying Transaction of the Corporation pursuant to a letter dated August 28, 2017.

All information provided in this Filing Statement, including in the summary above, is current as of August 28, 2017.

PART I. RISK FACTORS

An investment in the Corporation and the Resulting Issuer is subject to various risks and should be considered highly speculative. Investors should consider the following risk factors in addition to those outlined or otherwise referred to in this Filing Statement and the Schedules hereto.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this Filing Statement, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Corporation and NAC consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Corporation, NAC or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

RISK FACTORS RELATING TO THE CORPORATION

Limited History of Operations

The Corporation has a very limited history of operations, is in the early stage of development and, in compliance with the CPC Policy, has conducted no active business and has received no revenues other than interest revenues. As such, the Corporation is subject to many risks, all of which are common to such enterprises, including undercapitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and its likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying dividends in the near future.

The Transaction May Not be Completed

The Transaction is subject to regulatory approvals, including final acceptance of the TSXV. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the Transaction contemplated by the Agreement is not completed for these reasons or for any other reason, the Corporation will have incurred significant costs associated with the failed implementation of the Transaction. In addition, the Corporation provided the Bridge Loan to NAC which has significantly decreased the cash available to the Corporation, and there is no assurance that NAC will pay back the Bridge Loan to the Corporation. As a result, the Corporation has limited funds with which to identify and evaluate potential Qualifying Transactions if the Transaction is not completed, and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that the Corporation will be able to successfully complete such transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Management and Conflicts of Interest

The ability of the Corporation to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of the Corporation and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of the Corporation also serve as directors and/or officers of other companies which may compete with the Corporation in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and Promoters of NAC are in a position of conflict with the Issuer.

RISK FACTORS RELATING TO NAC

The securities of the Corporation (and correspondingly those of the Resulting Issuer) should be considered highly speculative due to the nature of the Resulting Issuer's proposed business and the present stage of NAC's development. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in the Filing Statement before making an investment decision. An investment in securities of the Corporation or the Resulting Issuer should only be made by persons who can afford a significant or total loss of their investment.

The risks and uncertainties described below are those that the Corporation's and NAC's management believes are material, but these risks and uncertainties may not be the only ones that the Corporation may face. Additional risks and uncertainties, including those that the Corporation's and NAC's management currently are not aware of or deem immaterial, may also result in decreased operating revenues, increased operating expenses or other events that could result in a decline in the value of any securities of the Corporation. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement.

An investment in the securities of the Corporation is highly speculative.

Limited Operating History

NAC has no history of net earnings and a limited operating history. Accordingly, it has no significant operating history upon which to evaluate its performance. Past performance of NAC's operations is not indicative of future results, and there can be no assurance that NAC will operate profitably at a greater number of locations. No conclusions should be drawn from the past performance of its operations and personnel. The likelihood of success of NAC must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. NAC has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that NAC can generate sufficient revenues to operate profitably, or provide a return on investment, or that it will successfully implement its business plans. NAC expects that its operating expenses will continue to increase in future periods as it pursues its proposed growth strategies. Any future increases to NAC's development expenses and/or general and administrative expenses will directly affect its future results of operations and may have an effect on its financial condition.

Risks Inherent in the Nature of the Health Clinic Industry

Changes in operating costs (including costs for maintenance, insurance), inability to obtain permits required to conduct NAC's Business, changes in health care laws and governmental regulations, and various other factors may significantly impact the ability of NAC to generate revenues. Certain significant expenditures, including legal fees, borrowing costs, maintenance costs, insurance costs and related charges must be made to operate its clinics, regardless of whether NAC is generating revenue.

Competition

The industry is intensely competitive, and NAC competes with other companies that may have greater financial resources and technical facilities. Numerous other businesses are expected to compete in the clinic space and provide additional patient servicing under the new regulatory regime in seeking patients that purchase medicinal marihuana. It is possible that Licensed Producers or other third parties could also establish their own medical clinics that are similar to NAC's, as there are no significant barriers to entry.

An increase in competition for cannabis and cannabinoid products may decrease prices and result in lower profits to the Licensed Producers. This increases the risk that Licensed Producers would not have funding available to purchase the research data NAC will have available.

Development Risks

Future development of NAC's Business may not yield expected returns and may strain management resources. Development of NAC's revenue streams is subject to a number of risks, including construction delays, cost overruns, financing risks, cancellation of key service contracts, and changes in government regulations. Overall costs may significantly exceed the costs that were estimated when the project was originally undertaken, which could result in reduced returns, or even losses, from such investments.

Uninsurable Risks

NAC carries comprehensive general liability, fire, and flood insurance with policy specifications, limits and deductibles for its clinics. It is possible that, in the future, NAC will not be able to obtain clinic insurance for these types of risks at reasonably economic rates, or at all. Moreover, there are certain types of risks, generally of a catastrophic nature, such as wars or natural disasters, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the assets of NAC may not be sufficient to satisfy these losses. In the course of developing NAC's Business, certain risks, and in particular, medical malpractice or product liability suits, may occur. It is not always possible to fully insure against such risks, and NAC may decide not to take out insurance against some or all of such risks as a result of high premiums or other reasons. Even a partially uninsured claim of significant size, if successful, could materially adversely affect NAC's Business, financial condition, results of operations and liquidity and result in increasing costs and a decline in the value of the securities of NAC. However, even if NAC successfully defends against any such claim, it could be forced to spend a substantial amount of money in litigation expenses, management could be required to spend valuable time in the defence against these claims and NAC's reputation could suffer, any of which could adversely affect results of its operations.

Government Regulations, Permits and Licenses

NAC's operations may be subject to governmental laws or regulations promulgated by various legislatures or governmental agencies from time to time. A breach of such legislation may result in imposition of fines and penalties. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. NAC intends to fully comply with all governmental laws and regulations. The LPs that provide medical marihuana to NAC's patients will be subject to various federal, provincial and municipal laws relating to the ACMPR in Canada. While there are currently no indications that NAC will require approval by Health Canada under the new program, such approvals may ultimately be required. There can be no assurance, however, that all permits which NAC may require for its operations and activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on NAC's Business.

The current or future operations of NAC are and will be governed by laws and regulations governing the health care industry, labour standards, occupational health and safety, land use, environmental protection, and other matters. Amendments to current laws, regulations and permits governing operations and activities of health clinics, or more stringent implementation thereof, could have a material adverse impact on NAC and cause increases in capital expenditures or costs, or reduction in levels of its medical services.

The government of Canada proposes to legalize recreational marihuana and there can be no assurance that such laws and regulations would not have an adverse effect on NAC's Business. It is expected that pending legislation relating to recreational marihuana will include introducing regulation governing taxation, sales and distribution of the product on a large scale and will significantly alter availability and demand for recreational marihuana. There can be no assurances that availability of recreational marihuana will not reduce the demand for medical marihuana, that recreational distributors may also become distributors of medical marihuana, or that the significant industry effect of new corporate entrants into the marihuana industry (some of which could have significantly more capital, distribution and marketing resources than NAC), may have an adverse effect of NAC's Business.

Non-referrals

Physicians may not refer patients to NAC's clinics. In addition, as the market grows and general practitioners become more comfortable and knowledgeable about the medical marihuana industry and products available, they may choose to write prescriptions directly for their own patients rather than refer them to an outside clinic.

Provincial Health Care Funding

All patients seen at clinics have been referred by other physicians. As such, the patient interaction with the consulting physician is eligible to be reimbursed by Provincial Health Departments. Revenues for the consulting physician vary by consulting physician speciality (i.e. family practitioner, internist, anaesthesiologist, etc.) within each province, and the revenue schemes vary between provinces. Revenues generated by physician engagement (scope of exam and assessment) and physician specialty are subject to change by each provincial Health Department. Changes to any province's consulting physician reimbursement model may adversely affect NAC's ability to recruit or retain consulting physicians or NAC's business model.

Federal Court Ruling

On March 21, 2014 the Federal Court of Canada issued an order for injunctive relief in response to a motion brought by four individuals (the "Applicants"). As a result of the Court's injunction, the persons who were previously authorized to possess and grow marihuana under the old Marihuana Medical Access Regulations (MMAR), who meet the terms of the Court order, were able to continue to do so on an interim basis, until the Court issues a final decision on the merits of the case. On February 24, 2016, the Federal Court of Canada issued reasons for judgement that the Canadian Marihuana for Medicinal Purposes Regulations, as amended (the "MMPR") was unconstitutional and invalid in that the MMPR does not provide Canadians with reasonable access to marihuana for medical purposes and that implementation of this decision was suspended until August 24, 2016 to allow sufficient time for the Federal government to enact new regulations. On August 24, 2016, the ACMPR was made effective. Pursuant to the ACMPR, an individual is eligible to produce cannabis for their own medical purposes as a registered person or to have it produced for them by a designated person. NAC expects that the immediate probable effect of the Court's decision could be a lower number of existing MMAR patients than may have otherwise been anticipated seeking physician referrals or registering with NAC for its clinical services, as some potential patients may choose to self-medicate and continue to grow their own marihuana without a prescription, as they have been doing under the MMAR.

Early Stage of the Industry and Growth

The Canadian medical marihuana industry is in an early stage of development. The change in federal legislation from the MMPR to the ACMPR could have an adverse impact on Licensed Producers' ability to successfully market their strains. The industry in which NAC plans to operate may also be subject to rapid and sustained growth and development. A variety of competitors and companies consulting on the use of cannabis may impact NAC's ability to attract and retain staff, physicians or sufficient patients to support our business objectives.

Plans for Growth

NAC plans to grow rapidly and significantly expand its operations. This growth will place a significant strain on management systems and resources. NAC will not be able to implement our business strategy in a rapidly evolving market, without an effective planning and management process. To date, NAC has implemented some managerial, informational, operational and financial systems and controls, however, there can be assurance these systems and controls will be adequate. NAC may be required to manage multiple relationships with various strategic partners, users, advertisers and other third parties. These requirements will be strained in the event of rapid growth, or a large increase in the number of third party relationships NAC has, as its systems, procedures or controls may not be adequate to support increased operations and management may be unable to manage growth effectively. To manage the planned growth, NAC will be required to significantly improve or replace existing managerial, informational, financial and operational systems, procedures and controls, and to expand, train and manage its intended growing base of personnel. NAC may also be required to expand its finance, administrative and operations staff. NAC may be unable to complete in a timely manner the improvements to its systems, procedures and controls necessary to support future operations, management may be unable to hire, train, retain, motivate and manage required personnel and management may be unable to successfully identify, manage and exploit existing and potential market opportunities.

Global Economic, Political and Social Conditions

NAC is subject to global economic, political and social conditions that may cause patients to delay or reduce medical treatments due to economic downturns, unemployment, volatility in the costs of energy and other consumer goods, geopolitical uncertainties and other macroeconomic factors affecting spending behaviour. NAC faces risks that may arise from financial difficulties experienced by suppliers or patients, including:

- (i) The risk that patients may face financial difficulties or may become insolvent, which could lead to an inability by NAC to obtain payment of accounts receivable that those patients may owe; and,
- (ii) The risk that LPs may face financial difficulties or become insolvent.

Should any of these risks occur, then they could have a material adverse effect on NAC and its prospects.

Lack of Capital Resources

Expanding NAC's Business to meet its growth strategy may require additional investments of capital from time to time, and existing sources of cash and any funds generated from operations may not provide sufficient capital. For various reasons, additional financing may not be available when needed, or may not be available on favorable terms. If NAC fails to obtain adequate capital on a timely basis or if capital cannot be obtained at reasonable costs, NAC will not be able to achieve its planned rate of growth, which will adversely affect its results of operations and future prospects.

Operating Results and Financial Condition may fluctuate on a Quarterly and Annual Basis

NAC's operating results and financial condition may fluctuate from quarter to quarter and year to year, and are likely to vary due to a number of factors, some of which are outside of NAC's control. In addition, actual or projected operating results may fail to match past performance. These events could in turn cause the market price of the Common Shares to fluctuate. If operating results do not meet the expectations of securities analysts or investors, who may derive their expectations by extrapolating data from recent historical operating results, the market price of the Common Shares will likely decline. NAC's operating results and financial condition may fluctuate due to a number of factors, including those listed below, and those identified in this "Risk Factors" section:

- (i) the introduction of new competitive clinics by others;
- (ii) changes in the size and complexity of the organization, including interprovincial operations;
- (iii) reduction in the number of new and existing patients;
- (iv) the geographic distribution of NAC's sales;
- (v) the ability to timely and effectively scale the Business during periods of sequential quarterly or annual growth;
- (vi) limitations or delays in NAC's ability to reduce its expenses during periods of declining sequential quarterly or annual revenue;
- (vii) changes in NAC's pricing policies or those of its competitors, including NAC's responses to price competition;
- (viii) changes in the amount spent on marketing and other efforts;
- (ix) the volatile global economy;
- (x) general economic and industry conditions that affect patient demand and product development trends; and,
- (xi) changes in accounting rules as well as tax and other laws.

Management

The success of NAC is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on NAC's Business and prospects. There is no assurance NAC can maintain the services of its officers or other qualified personnel required to operate its Business. Failure to do so could have a material adverse effect on NAC, its Business and its prospects.

Key Person Insurance

NAC does not maintain key person insurance on any of its officers, and in result NAC would bear the full loss and expense of hiring and replacing any officer in the event the loss of any such persons by their resignation, retirement,

incapacity, or death, as well as any loss of business opportunity or other costs suffered by NAC from such loss of any officer.

Resale of Shares

The continued operation of NAC will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If NAC is unable to generate such revenues or obtain such additional financing, any investment in NAC may be lost. In such event, the probability of resale of the Shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of NAC in creating revenues, cash flows or earnings. An active public market for the Common Shares might not develop or be sustained upon completion of the Proposed Transaction. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with NAC. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Alberta Business Corporations Act*.

Some of the directors and officers of NAC are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to NAC and their duties to the other companies on whose boards they serve, the directors and officers of NAC have agreed to the following:

1. Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. No commissions or other extraordinary consideration will be paid to such directors and officers; and
3. Business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to NAC except on the same or better terms than the basis on which they are offered to third party participants.

Financing Risks

NAC has no history of significant earnings and, due to the nature of its Business, there can be no assurance that NAC will be profitable. NAC has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to NAC is through the sale of its equity shares. Even if the net revenues of the Business are encouraging, NAC may not have sufficient funds for future expansion of the Business that may be necessary to remain competitive in the market. While NAC may generate additional working capital through further equity offerings or through the sale, there is no assurance that any such funds will be available on terms acceptable to NAC, or at all. If available, future equity financing may result in substantial dilution to shareholders. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by both sub-prime mortgages in the United States and elsewhere and the liquidity crisis affecting the asset-

backed commercial paper market. As such, NAC is subject to counterparty risk and liquidity risk. NAC is exposed to various counterparty risks including, but not limited to: (a) through financial institutions that hold NAC's cash; (b) through companies that have payables to NAC; and (c) through NAC's insurance providers. NAC is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of NAC to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to NAC. If these increased levels of volatility and market turmoil continue, NAC's operations could be adversely impacted and the trading price of the Common Shares could be adversely affected.

Dividends

The Resulting Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PART II. INFORMATION CONCERNING THE CORPORATION

CORPORATE STRUCTURE

Name and Incorporation

The Corporation was incorporated on June 18, 2015 pursuant to the ABCA under the name Brassneck Capital Corp. The head office and the registered and records office of the Corporation is located at 1900, 520 – 3rd Avenue S.W., Calgary, Alberta T2P 0R3.

GENERAL DEVELOPMENT OF THE BUSINESS

History

The Corporation is a "CPC" as such term is defined in the CPC Policy. On September 6, 2015, the Corporation completed its seed share financing and issued an aggregate of 2,100,000 Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$105,000. On October 6, 2015, the Corporation completed a private placement of 2,100,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$210,000.

On March 10, 2016, the Corporation completed its IPO of 2,739,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$273,900 by way of the final CPC Prospectus dated December 18, 2015 filed in the provinces of Alberta, British Columbia and Ontario. The Common Shares began trading on the Exchange effective March 15, 2016 under the symbol "BC.P".

The Corporation entered into the Letter of Intent with NAC on March 29, 2017. The Common Shares were halted from trading on the Exchange on March 29, 2017, pending announcement of the Transaction. The Common Shares will remain halted pending the receipt and review by the Exchange of acceptable documentation regarding the proposed Qualifying Transaction and remain halted pending receipt and review of acceptable documentation by the applicable regulatory authorities, including the Exchange, and the closing of the Transaction. It is anticipated that the Common Shares will commence trading on the Exchange in due course upon Closing under the symbol "NAC".

On May 18, 2017, the Corporation incorporated Brassneck Subco under the provisions of the BCBCA on May 18, 2017 for the purposes of carrying out the Transaction. Brassneck Subco is a wholly-owned subsidiary of the Corporation with its registered and records office located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC V6C 3L6.

At the Brassneck Shareholder Meeting held on June 6, 2017, the Brassneck Shareholders approved a special resolution to amend the Corporation's articles of incorporation to approve the Brassneck Name Change and the Brassneck Share Split. In connection therewith, it is anticipated that the Corporation articles will be amended to change its name to "National Access Cannabis Corp." and to split the Common Shares on the basis of 1.205 post-share split Common Shares for every 1 pre-share split Common Share immediately prior to Closing.

As required by the CPC Policy, the Corporation has conducted no business operations except in connection with the identification and evaluation of potential acquisitions with a view to satisfying the conditions for a Qualifying

Transaction, including the evaluation of the Transaction. The Transaction was negotiated at arm's length and involves arm's length parties and, therefore, is not a Non-Arm's Length Qualifying Transaction under the CPC Policy. As a result, no meeting of the Corporation's shareholders is required as a condition to complete the Transaction.

Private Placement Financing

On July 10, 2017, the Private Placement was completed by the Corporation and the Agents pursuant to the Agency Agreement, pursuant to which 24,000,000 Subscription Receipts were issued at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$6,000,000 representing the Escrowed Funds. Upon receipt and delivery of the Release Notice, the Escrowed Funds will be released to the Resulting Issuer and will be used for general working capital and the Resulting Issuer's future growth plans.

Each Subscription Receipt will be deemed to be converted into one NAC Share without further payment from or action on the part of the holder upon satisfaction of the Escrow Release Conditions and delivery of the Release Notice to the Escrow Agent.

Pursuant to the Agency Agreement, the Agents will receive a cash commission of \$240,000 on the Closing Date (the "**Agents Commission**"). The Agents also received 960,000 Agents' Private Placement Warrants, equal to 6% of the Subscription Receipts sold under the Private Placement. The Agents were reimbursed for reasonable legal expenses and out-of-pocket expenses of \$60,976.37. The Agents Broker Warrants entitle the holders thereof to purchase up to 960,000 NAC Shares, at an exercise price of \$0.25 per NAC Share exercisable on or prior to two years from the Private Placement Closing Date. Upon completion of the Transaction, the Agents Broker Warrants will be exchanged for Resulting Issuer Broker Warrants, entitling the holders thereof to purchase up to 960,000 Resulting Issuer Shares, at an exercise price of \$0.25 per Resulting Issuer Share exercisable on or prior to two years from the Private Placement Closing Date.

Completion of the Private Placement will entitle the Corporation to seek an exemption from the Exchange requirement to engage a Sponsor pursuant to the Sponsorship Policy.

Bridge Loan

On July 27, 2017, Brassneck and NAC entered into the Loan Agreement pursuant to which Brassneck agreed to advance the Bridge Loan of up to \$225,000 to NAC in connection with the Transaction. The principal amount of the Bridge Loan was advanced on July 28, 2017. The Bridge Loan is a demand loan and repayment may be demanded by the Corporation at any time. Interest will accrue on the principal amount of the Bridge Loan from the date of advance at the rate of 5% per annum, calculated and compounded monthly not in advance. Interest will become payable under the Bridge Loan monthly on the first business day of each month commencing September 30, 2017. If the Bridge Loan is paid in full prior to September 30, 2017, no interest will be payable to the Corporation. The outstanding balance of the Bridge Loan and interest owing to the Corporation will immediately become due and payable by NAC on the earlier of September 30, 2017 or at the Corporation's demand. NAC may also pay back all or part of the loan at any time. As security for the loan and pursuant to the Loan Agreement, the Corporation and NAC entered into a general security agreement. Pursuant to this agreement, NAC granted the Corporation a security interest in all of NAC's present and after-acquired property.

SELECTED CONSOLIDATED FINANCIAL INFORMATION & MANAGEMENT'S DISCUSSION AND ANALYSIS

Information from Inception

Since incorporation, the Corporation has incurred costs in carrying out its IPO, in seeking, evaluating and negotiating potential Qualifying Transactions and in meeting the disclosure obligations imposed upon it as a reporting issuer in the provinces of Alberta, British Columbia and Ontario.

The following table sets out certain selected financial information of the Corporation for the three month period ended March 31, 2017, the year ended December 31, 2016, and the period from incorporation on June 18, 2015 and to December 31, 2015. The following information should be read in conjunction with the Corporation's financial statements attached hereto as **Appendix "A"**. The financial results are not necessarily indicative of the results that

may be expected for any other period. The Corporation's audited financial statements are presented in Canadian dollars and are prepared in accordance with IFRS.

	For the Three Month Period Ended March 31, 2017	For the Year Ended December 31, 2016	From Incorporation to December 31, 2015
Total Expenses	\$90,240	\$91,240	\$12,351
Deferred financing costs in connection with the Corporation's IPO	\$-	\$-	\$63,237

Management's Discussion & Analysis

Management Discussion and Analysis for the three month period ended March 31, 2017, the year ended December 31, 2016, and the period from incorporation on June 18, 2015 and to December 31, 2015 is presented in **Appendix "B"** to this Filing Statement.

DESCRIPTION OF SECURITIES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the Effective Date, 6,939,000 Common Shares were issued and outstanding as fully paid and non-assessable, 273,900 Common Shares were reserved for issuance pursuant to PI's previously granted by the Corporation and 575,937 Common Shares were reserved for issuance pursuant to the Corporation's Option Plan. See below "*Part II – Information Concerning the Issuer – Stock Option Plan*".

Shareholders of the Corporation are entitled to dividends, if, as and when declared by the Board, to one vote per share at the meetings of shareholders and, upon liquidation, to share equally in the assets of the Corporation that are distributable to shareholders. These are the only material attributes or characteristics associated with the Common Shares. None of the following attributes or characteristics are applicable to the Common Shares: pre-emptive rights; conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities and any other material restrictions; or provisions requiring a security holder to contribute additional capital.

Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value. The Preferred Shares may be issued in one or more series, and the directors of the Corporation are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the series or shares of each series. The Preferred Shares are entitled to priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation, dissolution or winding-up of the Corporation. As at the Effective Date, there are no Preferred Shares issued or outstanding.

Dividends or Distributions

The Corporation has not declared or paid any dividends or distributions on the Common Shares to date. The payments of dividends or distributions in the future are dependent on the Corporation's earnings, financial condition and such other factors as the Board considers appropriate. The Corporation currently does not anticipate paying any dividends in the foreseeable future due to its stage of development, and in no circumstance will it pay any dividends or make any distribution until completion of its Qualifying Transaction.

STOCK OPTION PLAN

The Board has adopted the Option Plan which is administered by the Board. The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable Options, provided that the number

of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any twelve month period will not exceed 5% of the issued and outstanding Common Shares unless the Corporation has obtained disinterested shareholder approval (as defined in the CPC Policy) in respect of such grant and meets applicable Exchange requirements. In addition: (a) the number of Common Shares reserved for issuance to any one technical consultant will not exceed 2% of the issued and outstanding Common Shares; and (b) the number of Common Shares reserved for issuance to persons providing investor relations activities will not exceed 2% of the issued and outstanding Common Shares. Subject to the following, Options must be exercised within a reasonable period following cessation of the optionee's position with the Corporation, provided that if the cessation was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.

Options may be exercised from the later of 12 months after completion of a Qualifying Transaction by the Corporation, if any, and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option. Any Common Shares acquired pursuant to the exercise of Options prior to completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until a Final Exchange Bulletin is issued upon completion of the Qualifying Transaction.

The exercise price of the Options shall be determined by the Board at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. All Options granted to date have vested immediately and have an exercise price of \$0.10.

As at the date hereof, the Corporation has reserved 575,937 Common Shares for issuance pursuant to the Option Plan. The Options are allocated on the following basis:

<u>Optionee</u>	<u>Number of Common Shares Reserved Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
William C. Guinan	117,963	\$0.10	March 17, 2026
Frederic Leigh Jr.	55,512	\$0.10	March 17, 2026
Connor Cruise	346,950	\$0.10	March 17, 2026
Michael Saliken	55,512	\$0.10	March 17, 2026
Total	575,937		

PRIOR SALES

Since the date of incorporation, 6,939,000 Common Shares have been issued, as described in the following table.

Date	Number of Issuer Common Shares	Issue Price Per Issuer Common Shares	Aggregate Issue Price	Consideration Received
September 6, 2015	2,100,000 ⁽¹⁾	\$0.05	\$105,000	Cash
October 6, 2015	2,100,000	\$0.10	\$210,000	Cash
March 10, 2016	2,379,000 ⁽²⁾	\$0.10	\$237,900	Cash

Note:

⁽¹⁾ These Common Shares are held in escrow. See “Part III – Information Concerning the Resulting Issuer - Escrowed Securities”.

⁽²⁾ Issued pursuant to the IPO.

A total of 2,100,000 Common Shares have been sold to Non-Arm’s Length Parties.

Stock Exchange Price

The Common Shares have been listed and posted for trading on the Exchange since March 16, 2016 under the trading symbol “BC.P”. On March 29, 2017 the Common Shares were halted in anticipation of the Transaction. The trading price of the Common Shares on the Exchange on March 28, 2017, being the last day the Common Shares were available for trading prior to the Effective Date, was \$0.08.

The following table sets the daily high and low closing trading prices and the volume of the trading of the Common Shares, on days which there was trading activity, on the Exchange for the periods indicated.

Period	High (\$)	Low (\$)	Volume
March 2017 ⁽¹⁾	0.11	0.07	87,000
February 2017	0.16	0.11	158,000
January 2017	0.13	0.1	20,000
Quarter ended December 31, 2016	0.1	0.065	40,772
Quarter ended September 30, 2016	0.2	0.085	374,666
Quarter ended June 30, 2016	0.12	0.1	1,000
Quarter ended March 31, 2016 ⁽²⁾	0.1	0.1	0

Notes:

⁽¹⁾ From March 1, 2017 to March 29, 2017 (when trading was halted).

⁽²⁾ From March 15, 2016 (date of listing on the Exchange) to March 31, 2016.

ARM’S LENGTH TRANSACTIONS

The Transaction is not a Non-Arm’s Length Qualifying Transaction.

LEGAL PROCEEDINGS

The Corporation is neither a party, nor is any of its property the subject matter, of any legal proceedings, nor are any such proceedings known to the Corporation to be contemplated by any party.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, having an address at Suite 1500, 333 – 11 Avenue SW, Calgary, AB T2R 1L9.

Transfer Agent and Registrar

The transfer agent and registrar of the Corporation is TSX Trust Company at its Calgary office located at Suite 1000, 300 – 5th Avenue SW, Calgary AB T2P 3C4.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts in the last two years, other than:

- 1) the IPO Agency Agreement;
- 2) the CPC Escrow Agreement;
- 3) the transfer agent, registrar and disbursing agent agreement, dated effective November 13, 2015 between the Corporation and the Transfer Agent;
- 4) the Agency Agreement;
- 5) the Loan Agreement; and
- 6) the Amalgamation Agreement.

Copies of these contracts may be inspected without charge for a period of thirty (30) days after the Effective Date at the offices of Borden Ladner Gervais LLP, 1900, 520 - 3rd Avenue SW, Calgary, Alberta, T2P 0R3 during ordinary business hours.

PART III. INFORMATION CONCERNING THE TRANSACTION

The Proposed Transaction will occur pursuant to the Amalgamation Agreement. The Proposed Transaction is subject to, among other things, TSXV approval. Upon Closing, the Resulting Issuer will carry on the Business of NAC through Amalco and will seek growth opportunities in the rapidly expanding Canadian marketplace for medicinal cannabis and (non-cannabinoid) related products.

The following is a summary of the material terms of the Amalgamation Agreement. This summary does not purport to be a complete summary of the Amalgamation Agreement and its qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available for review under the Corporation's SEDAR profile at www.sedar.com.

BCP Share Split and Name Change

Prior to Closing, the Corporation intends to complete the Share Split at a ratio of 1:1.205, such that the Brassneck Shareholders will receive 1.205 post-Share Split Common Shares for each pre-Share Split Common Share owned by such Brassneck Shareholder. The Corporation obtained approval for the Share Split from the Brassneck Shareholders at the Brassneck Shareholder Meeting held on June 6, 2017.

In connection with the Transaction, the Corporation intends to change its name to "National Access Cannabis Corp." or such other similar name as the Corporation and NAC may determine and which shall be acceptable to the Exchange. The Resulting Issuer will continue to operate under the new name and as noted above will carry on the business of NAC through Amalco. Approval of the Brassneck Name Change was obtained from the Brassneck Shareholders at the Brassneck Shareholder Meeting. It is anticipated that the articles of Brassneck will be amended to give effect to the Brassneck Name Change immediately prior to the Closing of the Transaction.

Convertible Note Offering and NAC Name Change

NAC completed the non-brokered Convertible Note Financing led by PI for aggregate gross proceeds of \$1,000,000 on the Convertible Note Financing Closing Date. The holders of the Convertible Notes issued pursuant to the Convertible Note Financing will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to closing of the Transaction, the Convertible Notes will be deemed to be exercised into NAC Shares at a price of \$0.20 per NAC Share, subject to approvals from the Exchange. The Convertible Notes are convertible into 5,000,000 NAC Shares immediately prior to Closing of the Transaction.

For certain services in connection with the Convertible Note Offering, PI received 150,000 Agents Convertible Note Warrants to purchase an equivalent number of NAC Shares. The terms of the Agents Convertible Note Warrants provide that PI may acquire NAC Shares at an exercise price of \$0.20 per NAC Share at any time up until April 11, 2019. It is not anticipated that any of the Agents Convertible Note Warrants will be exercised prior to Closing, and that all will be exchanged for Resulting Issuer Broker Warrants with identical terms to the Agents Convertible Note Warrants.

On August 16, 2017, NAC held the NAC Shareholder Meeting pursuant to the provisions of the BCBCA and obtained approval from the NAC Shareholders of the Transaction. NAC will change its name to "National Access Clinic Corp.", or such other name as Brassneck and NAC may agree upon, immediately prior to the Closing of the Transaction.

Private Placement

In connection with the Transaction, on the Concurrent Private Placement Closing Date NAC completed the brokered Private Placement of 24,000,000 Subscription Receipts by the Agents at a price of \$0.25 per Subscription Receipt for gross proceeds of \$6,000,000 representing the Escrowed Funds, pursuant to the Agency Agreement. Each Subscription Receipt will be deemed to convert into one NAC Share without further payment from or action on the part of the holder of the Subscription Receipt concurrently with the satisfaction of the Escrow Release Conditions and delivery of the Release Notice pursuant to the Subscription Receipt Agreement. The Escrowed Funds will be held by the Escrow Agent until delivery of the Release Notice by NAC to the Escrow Agent.

Delivery of the Release Notice will occur upon satisfaction of the escrow release conditions, which include confirmation that: (a) all conditions precedent to the Closing of the Proposed Transaction shall have been satisfied or waived to the satisfaction of Brassneck and NAC; (b) the TSXV shall have conditionally approved the listing of the Resulting Issuer Shares on the TSXV; (c) all regulatory, shareholder and third-party approvals, if any, required in connection with the Proposed Transaction shall have been received (other than the final approval of the TSXV); and (d) NAC shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived by the Agents, and all conditions set out in the Agency Agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of NAC.

Pursuant to the Agency Agreement, the Agents shall receive a cash commission of \$240,000 upon Closing of the Transaction. This commission represents a cash commission of 6% of the gross proceeds of the Private Placement payable to the Agents for Subscription Receipts placed by the Agent's under the Private Placement to purchasers other than purchasers in the President's List. The Agent's will receive a cash commission of 2% of the gross proceeds for subscriptions for Subscription Receipts for purchasers on the President's List. On the Private Placement Closing Date, NAC paid expenses of the Agents for the Private Placement of \$60,976.37 for all reasonable out-of-pocket expenses the Agents legal fees. Upon delivery of the Release Notice, the Escrow Agent will release to the Agents the Agents Commission, and all expenses of the Agents payable by NAC pursuant to the Agency Agreement, and the balance of the Escrowed Funds will be released to the NAC.

In addition, on the Private Placement Closing Date, NAC issued the Agents 960,000 Agents Broker Warrants Each Agents Broker Warrant will permit the holder thereof to purchase one NAC Share at an exercise price of \$0.25 per NAC Share for two years from the Private Placement Closing Date, subject to adjustment and acceleration in certain circumstances. The Agents received the number of Agents Broker Warrants equal to 6% of the Subscription Receipts placed by the Agents to purchasers other than purchasers in the President's List and the number of Agents

Broker Warrants equal to 2% of the number of Subscription Receipts placed to purchasers on the President's List. Under the terms of the Transaction, each Agents Broker Warrant will be exchanged for one Resulting Issuer Broker Warrant with identical terms to the Agents Broker Warrant surrendered at Closing. The Agents Broker Warrants will be cancelled if the Escrow Release Conditions are not satisfied.

The Subscription Receipts issuable under the NAC Financing were issued: (a) to accredited investors (as defined in National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”)) in each of the provinces of Canada, other than Quebec, pursuant to an exemption from the prospectus requirements under NI 45-106; and (b) with the consent of NAC and Brassneck, to eligible investors in other eligible foreign jurisdictions (other than Canada and the U.S.) pursuant to applicable private placement exemptions under applicable securities laws in such jurisdictions.

Assuming: (a) the conversion of the Subscription Receipts issued pursuant to the Private Placement into NAC Shares; and (b) the exchange of all NAC Options for Resulting Issuer Options; and (c) completion of the Transaction, PBDC is expected to beneficially own or control more than 10% of the voting rights attached to all outstanding Resulting Issuer Shares. Other than PBDC and the directors and officers of the Resulting Issuer, there will be no other Insiders of the Resulting Issuer (as such term is defined in TSXV Policy 1.1 – *Interpretation*).

Bridge Loan

On July 27, 2017, Brassneck and NAC entered into the Loan Agreement pursuant to which Brassneck agreed to advance the Bridge Loan of up to \$225,000 to NAC in connection with the Transaction. The principal amount of the Bridge Loan of \$225,000 was advanced by Brassneck to NAC on July 28, 2017. The Bridge Loan is a demand loan and repayment may be demanded by the Corporation at any time. Interest will accrue on the principal amount of the Bridge Loan from the date of advance at the rate of 5% per annum, calculated and compounded monthly not in advance. Interest will become payable under the Bridge Loan monthly on the first business day of each month commencing September 30, 2017. If the Bridge Loan is paid in full prior to September 30, 2017, no interest will be payable to the Corporation. The outstanding balance of the Bridge Loan and interest owing to the Corporation will immediately become due and payable by NAC on the earlier of September 30, 2017 or at the Corporation's demand. NAC may also pay back all or part of the loan at any time. As security for the loan and pursuant to the Loan Agreement, the Corporation and NAC entered into a general security agreement. Pursuant to this agreement, NAC granted the Corporation a security interest in all of NAC's present and after-acquired property.

NAC intends to use the net proceeds from the Private Placement Financing, the Convertible Note Financing, the Bridge Loan and Brassneck's existing cash on hand for general corporate and working capital purposes and, upon completion of the Transaction, the future growth plans of the Resulting Issuer.

Amalgamation and Resulting Issuer

Following the Share Split and in connection with Closing, each holder of NAC Shares (including Performance Shares subject to the Performance Escrow and Persons receiving NAC Shares upon conversion or exercise of the Subscription Receipts and the Convertible Notes, as applicable), will receive one post-Share Split Common Share in exchange for each NAC Share held by such NAC Shareholder. NAC Optionholders will exchange each NAC Option for one Resulting Issuer Option pursuant to the Amalgamation Agreement. The Agent's IPO Option, Agents Convertible Note Warrants and Agents Broker Warrants issued in connection with the IPO, Convertible Note Financing and Private Placement, respectively, will be exchanged for Resulting Issuer Broker Warrants with identical terms to the Agent's IPO Option, Agents Convertible Note Warrants and Agents Broker Warrants, as applicable.

It is expected that following Closing of the Transaction the Brassneck Shareholders (including such persons who may acquire Common Shares upon the exercise of Options and the Agent's IPO Options) will hold approximately 7% of the Resulting Issuer Shares, and the NAC Shareholders (including the Convertible Debenture holders, the investors in the Private Placement, NAC Optionholders, and the Agents) will hold approximately 93% of the Resulting Issuer Shares on a fully-diluted basis. It is expected that there will be 115,974,063 Resulting Issuer Shares issued and outstanding (assuming that no NAC Optionholders exercise their NAC Options and receive NAC Shares prior to Closing. It is expected that there will be Resulting Issuer convertible securities, including the Resulting Issuer Broker Warrants and the Resulting Issuer Options issued and outstanding to purchase up to 9,709,054 Resulting Issuer Shares. It is expected that there will be 125,683,117 Resulting Issuer Shares issued and outstanding

on a fully-diluted basis. Following completion of the Proposed Transaction, it is expected that the PBDC will control more than 10% of the Resulting Issuer Shares.

For biographies of each of the anticipated directors and officers of the Resulting Issuer, please see the section entitled “Part V - Information Concerning the Resulting Issuer – Directors and Officers – Management” below.

PART IV. INFORMATION CONCERNING NAC

The following information is provided by NAC, is presented on a pre-Transaction basis and is reflective of the current Business, financial and share capital information of NAC. See “Information Concerning the Resulting Issuer” for pro forma business, financial and share information relating to the Resulting Issuer following the Proposed Transaction.

CORPORATE STRUCTURE

Name and Incorporation

The full name of NAC is “National Access Cannabis Corp.” The principal place of business of NAC is located at 1111 Wellington St. W., Ottawa, Ontario K1Y 2Y6. The registered and records offices of NAC are located at 29th Floor, 595 Burrard St., P.O. Box 49130, Vancouver, British Columbia, V7X 1J5. NAC is extra-provincially registered and authorized to carry on business in the provinces of Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia.

NAC was incorporated pursuant to the BCBCA on November 12, 2014 under the name “National Access Cannabis Corp.”

Intercorporate Relationships

NAC has two wholly-owned subsidiaries: NA Canada and CannApply. NA Canada was incorporated pursuant to the *Canada Business Corporations Act* on November 21, 2013 and has its registered and records offices, located at 29th Floor, 595 Burrard St., P.O. Box 49130, Vancouver, British Columbia, V7X 1J5. The head office is located at 1111 Wellington Street West, Ottawa, ON K1Y 2Y6.

CannApply was incorporated pursuant to the ABCA on August 2, 2012 and has its registered and records office, located at 600, 5920 MacLeod Tr. S. Calgary, AB T2H 0K2. The head office is located at 1111 Wellington Street West, Ottawa, ON K1Y 2Y6.

GENERAL DEVELOPMENT OF THE BUSINESS

History

NAC was incorporated under the BCBCA on November 12, 2014 with the mission of helping patients find and manage treatments for their medical problems through the use of medical marijuana and cannabinoid products through providing information to patients, physicians and the community and simplifying communication with ACMPR Licensed Producers. The principal business carried on by NAC is the ownership and operation of medical clinics that aim to connect Canadians with ACMPR Licensed Producers by advancing the understanding of who medical cannabis helps, and the provision of related services and (non-cannabinoid) products for patients suffering from illness that may be helped by medical marijuana, including access to qualified health care practitioners and independent medical marijuana evaluations and advice (the “**Business**”).

Upon incorporation on November 12, 2014, NAC issued 10 NAC Shares to its founder at a price of \$0.005 per NAC Share, for total proceeds of \$0.05.

On December 15, 2014, NAC issued 4,600,000 NAC Shares to an investor at a share price of \$0.005 per NAC Share, for total proceeds of \$23,000.

On January 30, 2015, NAC completed private placements of 13,200,000 NAC Shares at a share price of \$0.02 per NAC Share, for total proceeds of \$264,000.

In February, March and April of 2015, NAC completed private placements of 8,960,000 NAC Shares to approximately 32 investors at a price of \$0.05 per NAC Share for total proceeds of \$448,000.

In April and May, 2015, NAC completed a private placement of 8,622,699 special warrants at a price of \$0.15 per special warrant to 43 investors for proceeds totalling \$1,293,404.85. In connection with the private placements the Company paid finder's fees totalling \$22,680. Each special warrant would automatically convert into a NAC Share with no further action or payment by the special warrant holder upon the earlier of the receipt of a prospectus filed by NAC or the third anniversary of the date of issuance of the special warrants. On February 7, 2017, NAC sold an additional 300,000 special warrants at \$0.25 each to two investors for total proceeds of \$75,000. In May 2017, pursuant to conversion agreements between each special warrant holder and NAC, the special warrants were converted into NAC Shares on a 1:1 basis.

Effective May 4, 2015, as part of its continuing strategy of growth through acquisition, NAC completed the NA Canada Acquisition and acquired its now wholly-owned subsidiary, NA Canada, via a 1:1 share exchange to acquire all of that company's 9,237,000 issued and outstanding shares (the "**NA Canada Acquisition**"). Upon completion of the Acquisition, NA Canada became the wholly-owned subsidiary of NAC.

Effective June 18, 2015, NAC sold the assets related to the Victoria Clinic to the founder of NA Canada for consideration of a promissory note in the amount of \$298,000. The promissory note bore no interest and was paid in full on November 19, 2015.

On August 12, 2016, NAC completed a private placement of 4,000,000 NAC Shares at a price of \$0.05 per NAC Share for gross proceeds of \$200,000. On October 24, 2016 \$400,000 of amounts due to directors was settled with NAC Shares at a deemed price of \$0.05 per NAC Share, for a total of 8,000,000 NAC Shares issued.

On February 7, 2017 the Company closed a non-brokered private placement of NAC Shares for total proceeds of \$448,500. NAC issued 1,794,000 NAC Shares at a price of \$0.25 per NAC Share. Between October 21, 2016 and February 7, 2017 NAC closed several non-brokered private placements for aggregate gross proceeds of approximately \$525,000 consisting of 3,299,999 units. During this period: 2,999,999 units were issued at a price of \$0.15 per unit, and 300,000 units were issued at a price of \$0.25 per unit. Each unit was comprised of one special warrant. The special warrants will automatically convert into common shares and will be deemed to have been exercised without any further action or payments. In July 2017, pursuant to conversion agreements between each special warrant holder and NAC, the special warrants were converted into NAC Shares on a 1:1 basis.

NAC opened its first clinic in Ottawa in June 2015. NAC opened a second clinic in Toronto in October 2016 and a third clinic in Halifax in November 2016. NAC reacquired the Victoria Clinic in November of 2016. Previous to reacquiring the clinic in Victoria, the Victoria clinic was owned and operated by one of the founding shareholders of NAC. Additional information on the Victoria Clinic can be found in the following section to this filing statement, Acquisitions and Dispositions.

To May 31, 2017, NAC has incurred development costs of approximately \$1,600,000 in connection with the development of the principal products of the Business.

On December 23, 2016, NAC completed the CannApply Acquisition. Under the CannApply Acquisition, NAC acquired the rights to four clinics in Calgary as well as the rights to open several more clinics.

NAC opened a clinic in Saskatoon in January 2017 and another clinic located in Winnipeg during March 2017. NAC now operates a total of 10 clinics in seven cities across Canada in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia. Total estimated development costs as of May 31, 2017 are \$1,600,000. This amount includes concept and design fees, leasehold improvements, and other fit up and development costs for NAC's six clinic locations (Ottawa, Victoria, Toronto, Halifax, Saskatoon, and Winnipeg).

NAC also operates 4 clinics in Calgary, rounding out the 10 current clinics being operated by NAC. These clinics are co-located in physician clinics. These physician clinics were in operation before NAC started operations within them. As such, the existing infrastructure of the physician clinics meant that NAC did not need to incur any leasehold costs or invest in any of the line items from the chart above.

The company has plans to open several more clinic or kiosk operations within the next 12 months. NAC will continue to develop retail relationships through corporate stores and other strategic partnerships.

On April 11, 2017, NAC completed the non-brokered Convertible Note Offering for aggregate gross proceeds of \$1,000,000 from 18 accredited investors. The Convertible Notes bear interest at a rate of 10% annually, paid semi-annually in arrears, which will be forgiven upon completion of the Transaction. The Convertible Notes will automatically convert into NAC Shares at a deemed price of \$0.20 per NAC Share concurrent with the conversion of the Subscription Receipts immediately prior to Closing of the Transaction. This will result in the issuance of 5,000,000 NAC Shares to the holders of the Convertible Notes.

In connection with the Transaction, NAC entered into the Agency Agreement to issue 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for proceeds of \$6,000,000. This Private Placement was completed on July 10, 2017. Upon satisfaction of the Escrow Release Conditions, the Subscription Receipts shall be deemed to convert into NAC Shares without any additional consideration of payment by the holder of the Subscription Receipts.

On July 10, 2017, NAC, Brassneck and Brassneck Subco entered into the Amalgamation Agreement. Upon Closing of the Transaction, it is anticipated that NAC and Brassneck Subco will amalgamate under the provisions of the BCBCA and continue as Amalco under the name of “National Access Clinic Corp.” After completion of the Transaction, Amalco will continue under the BCBCA as a wholly-owned subsidiary of Brassneck.

Acquisitions and Dispositions

Effective May 4, 2015, NAC acquired 100% of the issued and outstanding shares of NA Canada pursuant to a Share Exchange Agreement dated May 4, 2015. At the time of the NA Canada Acquisition, NA Canada owned and operated one medical cannabis clinic in Victoria, Canada. The aggregate deemed consideration payable under the NA Canada Acquisition pursuant to the Share Exchange Agreement was \$461,850, consisting of 9,237,000 NAC Shares issued to the former shareholders of NA Canada at a deemed price of \$0.05 per NAC Share. The Company accounted for this transaction as a business combination under IFRS 3, as the group of assets acquired from NA Canada met the definition of a business. NA Canada became a wholly-owned subsidiary following the NA Canada Acquisition.

The following table summarizes the fair value of the net assets acquired. The valuation was performed by the Company based on the internal appraisals of the fair value of the property and equipment acquired.

Value recognized on the acquisition date	
Cash	\$ 62,601
Accounts receivable	\$ 76,746
Inventory	\$ 4,886
Property, plant and equipment - cost	\$285,875
Prepays	\$ 3,981
Intangible asset	\$ 100,000
Goodwill	\$814,477
Accounts payable	\$(151,516)
Advances from NAC Cannabis	\$(735,200)
Total net assets acquired	\$ 461,850

The acquisition of NA Canada by NAC was a strategic purchase, providing NAC the opportunity to develop additional clinics based on the NA Canada model. The NA Canada Acquisition has had a positive impact allowing NAC to execute a business plan primarily focussed on expanding NAC’s clinic operations and helping the Company grow nationally. Many of NA Canada’s previously established processes, procedures, branding, and design concepts have been replicated in NAC’s clinic operations including locations in Ottawa, Toronto, Halifax, Saskatoon, and Winnipeg.

The financial impact of the acquisition of NA Canada was an increase of revenues produced by the Victoria location from the acquisition date to May 31, 2017 totalling \$120,000. Net total loss from the acquisition date to May 31, 2017 is a total of \$147,000.

On June 18, 2015, NAC sold the Victoria Clinic that was acquired through the NA Canada Acquisition to the previous manager, Alex Abellan, of NA Canada who was also a major shareholder of NAC at the time. The sale of the Victoria Clinic was a related party transaction. Alex Abellan delivered a promissory note in the amount of \$298,000 in consideration for the conveyance and transfer of the assets. The promissory note was paid in full on November 19, 2015. Franchising NAC locations was part of the Company's strategic growth plan. Management made the decision to sell back the Victoria Clinic to the former manager in order to test and refine the franchise concept and to help prepare for planned future rollouts of NAC franchise locations.

Pursuant to an agreement dated November 17, 2016, NAC repurchased the Victoria Clinic from Alex Abellan, a major shareholder of NAC at the time. The Victoria Repurchase was a related party transaction. The total consideration payable for the Victoria Repurchase was cash in the amount of \$50,000 and 2,000,000 NAC Shares issued to the vendor at a deemed price of \$0.10 per NAC Share for aggregate consideration of \$250,000. An additional \$50,000 is payable by NAC to the vendor of the Victoria clinic in the event that NAC competes a transaction to go public and will be payable upon Completion of the Qualifying Transaction, if Closing occurs. NAC management decided to bring the Victoria location back as a corporate clinic. The clinic is considered a flagship location in Western Canada and management believes that it is strategically important to have a corporate presence in British Columbia. Since the Victoria Repurchase, the Victoria Clinic has generated a net loss of approximately \$75,000.

On December 23, 2016, NAC purchased all of the issued and outstanding shares of CannApply, which is engaged in the business of operating clinics offering services to medical cannabis patients. In completing the CannApply Acquisition, NAC acquired the rights to CannApply's four clinic locations in Calgary, Alberta as well as the rights to open several more. Consideration for the purchase of CannApply was an aggregate deemed amount of \$600,000, payable by way of 1,300,000 NAC Shares at a deemed price of \$0.25 per NAC Share and \$275,000 in cash, with \$100,000 paid at closing. As a result of the CannApply Acquisition. Additional cash consideration of \$175,000 is due to the former shareholders of CannApply in the event that NAC completes a going public transaction on or before January 1, 2018 and will be payable upon Completion of the Qualifying Transaction, if Closing occurs. If NAC does not complete a going public transaction on or before January 1, 2018, an additional 500,000 NAC Shares at a deemed price of \$0.25 per NAC Share and \$25,000 will be payable to the former shareholders of CannApply.

As a result of the CannApply Acquisition, NAC is in a stronger position to accelerate growth in the Alberta market. The effect of the CannApply acquisition to date on NAC has been to add approximately \$22,000 in monthly revenue and increase monthly net income by \$2,000. NAC has invested additional resources in CannApply since the CannApply Acquisition date in order to continue expansion initiatives in Alberta.

The following table summarizes the fair value of the net assets acquired in connection with and summarizes the effect on the financial position of NAC as a result of the CannApply Acquisition.

Value recognized on the acquisition date	
Cash	\$ 7,621
Accounts receivable	\$ 49,467
Goodwill	\$ 701,794
Accounts payable	\$(149,467)
Deferred Revenue	\$ (9,415)
Total net assets acquired	\$ 600,000

To date, in addition to the share consideration and other acquisition costs described above, NAC has incurred over \$4.5 million in direct expenditures on the Business. The development of the Business to its current stage has primarily been financed by the founding shareholders of NAC and through private placements of NAC Shares and warrants. The only other sources of financing include: (i) a \$300,000 loan from an unsecured arms-length lender on November 29, 2016 interest at a 5% per month to April 30, 2017 and 2.5% per month thereafter with interest payable in NAC Shares; (ii) a \$200,000 loan from an unsecured arm's length lender on July 5, 2017 with interest at 5% per month with principal and interest payable on or before September 15, 2017; and (iii) the Bridge Loan.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The principal Business carried on by NAC is the ownership and operation of medical clinics that aim to connect Canadians with Licensed Producers by advancing the understanding of medical cannabis and its applications, and the provision of related services and products for patients suffering from illness from which they may find relief with medical cannabis, including facilitating access to qualified health care practitioners, independent medical cannabis evaluations and related advice, and facilitating access to Licensed Producers.

NAC owns and operates 10 clinics to carry on the principal Business. NAC's first clinic was opened in Ottawa, Ontario in June 2015. NAC now operates 10 clinics in Canada, and has plans to open additional clinics and/or kiosk operations within the next 12 months. The kiosk operations are mini-clinics inside the operations of strategic partners in quasi-medical operations. NAC helps patients find and manage medical cannabis treatment options for their medical conditions by providing information to patients, physicians and the community, and simplifying choice of and communication with Licensed Producers.

Principal Products and Services

NAC is devoted to improving the quality of life of its patients by creating a network of safe, responsible care centres throughout Canada for connecting Canadians with medical cannabis. Working in consultation with physicians, NAC facilitates safe and informed access to medical cannabis from Licensed Producers in accordance with applicable laws. NAC plans to capitalize on opportunities in the medical cannabis industry through its clinics and kiosks by providing education services for patients, medical professionals and Licensed Producers.

The main components of the Business are:

1) *Patient and Physician Support*

Patients over the age of 20 who are diagnosed with a medical ailment and have tried at least one prior medication or treatment are eligible to discuss their medical condition with NAC caregivers, who will educate the patient on cannabis. If the Patient is interested in learning more, seeing a doctor or placing a prescription with a Licensed Producer, then the caregiver will assist the patient in navigating the different paths. A patient can enter the into the NAC education process in one of three ways:

- (i) **Prescription:** The patient can provide a prescription form signed by a health care provider;
- (ii) **Referral Form:** A health care provider can provide a referral form for the patient that provides an NAC health care provider with an understanding of the patient's condition to help the NAC health care provider assess the patient's eligibility for medical cannabis; or
- (iii) **Release Form:** If the patient's health care provider is unwilling to assist the patient with access to medical cannabis for a medical condition, the patient's medical records relevant to the medical condition may be collected from the health care provider's office or through a release form, which includes a treatment history.

Currently there are 8,200 patients who have gone through the NAC process and became members. Certain NAC clinics charge Membership Fees.

The clinics that charge Membership Fees include:

- Victoria
- Ottawa
- Halifax

This is a one-time fee and it covers a variety of value to the patient. The value includes:

- Ongoing education by a trained NAC staff members on the different medications that are available

- with the different Licensed Producers;
- The patient's NAC medical cannabis card;
- Access to NAC sponsored education events held monthly on and off NAC premises; and
- A discount on merchandise sales.

Membership fees made up 14% of revenues in 2016 and 7.5% of revenues in 2015.

2) *Physician Consultation and Education*

NAC also arranges patients with a knowledgeable physician right from the patient's designated NAC clinic. The physician at the NAC clinic will evaluate a patient for prospective prescription of medical cannabis. If the physician determines that medical cannabis is an appropriate medication for the patient, the physician will prescribe the medication. This prescription is written by the physician at the NAC clinic. Once prescribed, NAC will provide the patient an in-depth education session and will direct the patient to the Licensed Producers. Revenues from consultations and education were 82% of consolidated revenues in fiscal year 2015 and 33% of revenues in fiscal 2016. NAC is in the process of removing all consultation fees. However, the difference in revenue will be offset by new education grants.

3) *NAC's Licensed Producer Liaison Service*

NAC provides a liaison service with Licensed Producers that assists patients in selecting strains of medical cannabis and transmits the patient's order to a Licensed Producer. NAC helps patients choose different types of cannabis or cannabis oil, and select an Licensed Producer based on the patient's condition and medical needs. NAC evaluates all Licensed Producers in Canada, cataloguing strains and oils, reviewing quality, consistency, reliability, and product availability. All Licensed Producers have met rigorous licensing requirements under the ACMPR. However, available strains and cannabis oil products, product quality and the ability to fulfill orders consistently vary. NAC maintains up-to-date information on all Licensed Producers – information supplemented by feedback from NAC's large membership base. This ensures that NAC's patients receive the cannabis products that the patient has some understanding of with respect to their specific conditions, and from an Licensed Producer who are matched with the patient's needs and expectations.

The Liaison System is made possible through NAC's education grant agreements with Licensed Producers across Canada. Currently, NAC has 16 such agreements in place with 14 Licensed Producers. For each patient referral to the specific Licensed Producers, NAC receives a fee pursuant to the agreement with the applicable Licensed Producer. Grants vary between 15 to 20% of the patient spend at the Licensed Producer depending on the terms negotiated with the Licensed Producer. Revenues from the Liaison Service by referring patients to Licensed Producers accounted for 0% of NAC's consolidated revenue in 2015 and 36% of consolidated revenue in 2016.

Operations

NAC operates a national system of NAC-branded caregiver clinics across Canada. NAC is devoted to improving the quality of life of its patients by creating a network of responsible care centres throughout Canada to help connect Canadians with medical cannabis. Working in consultation with physicians, NAC facilitates safe and informed access to medical cannabis within the laws and guidelines promulgated by Health Canada. NAC provides membership, education and referral services to assist Canadians in navigating an often complex system in order to help them access the medication they need. As well, NAC has initiated plans for additional expansion with strategic partners located in strategic locations throughout Canada.

To facilitate the operations of NAC and to facilitate the NAC business model, the company has set roles and responsibilities captured within the companies hiring practices, operations manual and position accountability.

In the operations of the NAC clinics, NAC employs cannabinoid therapy assistants, trained cannabinoid educators and clinic managers.

A *cannabinoid therapy assistant* is responsible for greeting all patients & ensuring that all patient data is accurate and entered correctly into our system. They answer the phone lines and respond to client emails. They support the day to day operations by improving overall productivity and engagement with clients within the NAC business model. A

cannabinoid therapy assistant role is critical in ensuring that patient care, deliverables & services are effectively coordinated and scheduled so that operations exceed the needs & expectations of a satisfied patient.

The trained cannabinoid educators utilize clinic processes, in collaboration with the NAC team, to deliver consistent quality cannabinoid education and care which meets the needs of our clients through their life span. In the case of the NAC hiring practices, the trained cannabinoid educators are either LPNs, RPNs or, occasionally, RNs.

The clinic manager is responsible for developing a strong & positive work force within his/her clinic by supporting operations and improving overall productivity and engagement through effective leadership and mentorship. The clinic manager's role is critical in ensuring proper patient care as well as effectively coordinating and scheduling operations to meet the daily needs of the business. The clinic manager is the direct contact to the regional manager, who ensures that the NAC business model grows efficiently, while being cognizant of the changes in direction within the industry and cannabinoid population requirements.

Although physicians support the NAC clinics and the patients that go through the NAC clinics, the physicians are not paid employees or consultants of NAC. The physicians come with their own medical know-how and through our Vice President of Medical and Scientific Affairs, NAC attempts to further their education. The same could be said for the LPNs, RPNs and RNs.

There is no shortage of interested applicants to the roles of cannabinoid therapy assistants, trained cannabinoid educators and clinic managers.

All NAC clinics receive the same rates for the Education Grants and only Halifax, Victoria and Ottawa charge Membership Fees.

Over the years, NAC has accumulated great industry and operational knowledge in supporting patients seeking and using medical cannabis. This knowledge and expertise has been captured in operational manuals and training, captured as the NAC business system. This business system will allow for aggressive market expansion, bringing efficiency and effectiveness to the expansion. As an intangible asset, this business system, that is constantly refined, should allow for quicker breakeven per new clinic and improved profitability.

NAC has supported over 8,200 patients. These 8,200 patients make up a membership list. Over the next 12 months NAC could create an opt-in marketing campaign to these 8,200. The marketing campaign could create sticky customers, deterring the patient from leaving NAC or changing away from Licensed Producers that provide NAC with an Education Grant. This is a significant goal as it is directly correlated to revenue retention. In addition, NAC could promote NAC merchandise sales through direct marketing campaigns to the 8,200, materially improving merchandise sales.

The business of medical marijuana and patient services is neither cyclical or seasonal. Patient demand is based on medical need and this need is not a factor of season or markets. However, the business is subject to physician availability. Physicians, like many Canadians, take holidays in July, August, March break and at Christmas. This generally creates a backlog of patients and stifles New Patient Acquisition during these times.

The main contracts held by NAC include; employment contracts, consulting agreements, leases and education grant agreements. No major lease is up for negotiation or is subject to termination in the next 12 months. NAC's employment agreements and consulting agreements face the same risk as any company.

NAC has 14 agreements with Licensed Producers. If NAC was to lose these 14 agreements, then NAC would lose a significant portion of its revenue; 33% based on 2016 revenue and a much greater percentage over the next 12 months based on business strategy.

NAC plans to add to the 14 agreements as NAC expands business development activities and as more Licensed Producers are legally producing cannabis of purchase by patients.

Company-owned Locations

NAC currently operates ten clinics across Canada in the provinces of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario and Nova Scotia. NAC operates clinics in seven cities across Canada including: (i) one in Victoria; (ii) four in Calgary; (iii) one in Saskatoon; (iv) one in Winnipeg; (v) one in Toronto; (vi) one in Ottawa; and (vii) one in Halifax. NAC employs an aggregate of 43 employees across the company's 10 clinics. All NAC clinics are operated at locations leased by NAC or an NAC subsidiary. All leases are in good standing.

Directly operating NAC caregiver clinics contributes significantly to NAC's ability to collaborate with credible partners. Having company-owned clinic locations is essential to providing NAC personnel with a venue for clinic operations' training experience. In addition, Company-owned and operated clinics, in collaboration with strategic partners, enable further development and refinement of operating standards, marketing concepts and service and pricing strategies that will ultimately benefit the NAC nationwide system.

Strategic Partnerships

The Company is developing additional locations with partners in strategic regions and provinces throughout Canada. NAC has established partnerships in areas where local and regional participation will provide mutually advantageous benefits that NAC would have difficulties achieving on its own. NAC is currently negotiating with potential partners in the provinces of Alberta, Manitoba, Quebec, and Prince Edward Island. NAC continues to explore joint ventures and other partnerships that improve the brand and NAC's profitability.

Market and Trends

The Canadian cannabis industry is tightly regulated. The Canadian cannabis industry currently serves a medical market only, which is regulated by the ACMPR, which are promulgated under the CDSA. On April 13, 2017, the Government of Canada introduced Bill C-45: *An Act Respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* (otherwise known as the "**Cannabis Act**" or "**Bill C-45**").

Bill C-45 as drafted will deschedule cannabis from the CDSA and create a regulated adult use market for cannabis. Bill C-45 also allows provinces to regulate storefront sale of cannabis. While Bill C-45 does not regulate any additional cannabis products for sale, beyond those currently available under the ACMPR, Bill C-45 does include a schedule of saleable products that may be expanded to include additional products. The Government of Canada has publicly stated an intention to have Bill C-45 become law on July 1, 2018. It is unknown at this time whether or when this bill will become law.

Canada's multi-participant regulated commercial medical cannabis industry began in June of 2013, with introducing the *Marihuana for Medical Purposes Regulations* (Canada), SOR/2013-119 (the "**MMPR**"), promulgated the CDSA. The MMPR created a commercial and industrial market for medical cannabis production through Licensed Producers and a need for specialized health care providers and centres. The MMPR were struck down as unconstitutional in response to a Court action alleging that the MMPR contravened the *Charter of Rights and Freedoms* (2016 FC 236). On August 24, 2016, the ACMPR replaced the MMPR. The ACMPR maintained the commercial system for purchasing cannabis from Licensed Producers and also reintroduced an option for holders of a Medical Document to grow their own cannabis, similarly to the *Marihuana Medical Access Regulations* (Canada), SOR/2001-227 ("**MMAR**"), which were repealed on March 31, 2014.

Under the ACMPR, a physician or other health care practitioner defined in the ACMPR may write a medical document (a "**Medical Document**") for a patient. A Medical Document authorizes a patient to possess a daily quantity of cannabis defined in grams of dried cannabis ("dried marihuana" in the ACMPR). The Medical Document may be sent to a Licensed Producer, making the patient a client of the Licensed Producer. The patient may then order from the Licensed Producer as a client. The ACMPR allow Licensed Producer to sell dried cannabis, cannabis oil, or fresh cannabis to the Client. No Licensed Producers currently offer fresh cannabis for sale. The ACMPR also allow Licensed Producers to sell plants and seeds for clients to cultivate their own cannabis. All products purchased from Licensed Producers must be delivered by mail – the ACMPR do not provide for storefront sale of cannabis.

As of March, 2014, more than 5,363 doctors had written an authorization for medical cannabis to patients in Canada. Of the prescribing physicians, 2,228 practiced medicine in Ontario which represented only about 7% of all doctors

across the country. Some general practitioners are hesitant to provide patients with access to cannabis due to a number of reasons: (i) in the absence of scientific data and clinical trials showing the efficacy of such treatments; (ii) lack of guidance on dosing; and (iii) a lack of quality standards for different strains of medical cannabis among products; and concerns about effects from interaction with other medications. The source for this information is a *Globe and Mail* article entitled *Doctors Balk at Increased Role in Medical Marijuana Prescriptions* dated March 24, 2014. As a result, NAC believes many general practitioners will opt to refer their patients to clinics associated with physicians specialized in providing patients with access to medical cannabis in compliance with applicable laws.

Forecasted Growth and Changes in Cannabis Regulations

As of June 6, 2017, there were 45 Licensed Producers producing cannabis, selling cannabis or both, some producing and selling only dried cannabis, with others also producing and selling cannabis oil. Use of medical cannabis is estimated to grow considerably in Canada. Previous long-term estimates showed market growth from levels of approximately 37,000 users in late 2013 to over 430,000 users by 2024. This data was reported in the *Globe and Mail* in an article entitled *By the Numbers: Canada's Medical Marijuana Use* on October 3, 2013.

Bill C-45, as drafted, suggests the possibility of at least three additional opportunities for NAC depending on the text of the *Cannabis Act* when it comes into force, and the details of any regulations:

- 1) Regulation of storefront sale of cannabis, whether for medical purposes or in a broader adult use context, presents a logical extension of NAC's clinic locations to include storefront sale of cannabis. NAC's presence in multiple provinces may provide flexibility in any such pivot to storefront sale, depending on differences between provincial regulations.
- 2) Product diversification, whether in the medical market or the broader adult use market, may result in greater patient or other consumer benefit resulting from NAC's knowledgeable staff. While Bill C-45 does not regulate new product categories for sale, schedules in the draft *Cannabis Act* provide for additional product categories – the *Cannabis Act* is drafted for expansion of the number of product categories. Specific restrictions on caffeine and ethyl alcohol included in the *Cannabis Act* suggest that greater variation within product categories may also occur. Each of these changes would increase choices for the patient or other consumer, and may increase the advantages of having access to NAC's knowledge base.
- 3) The *Cannabis Act* allows for purchase, possession, and cultivation of cannabis for adult use outside of the medical context. Regulation of a user base outside of the medical context may provide additional potential consumers, may increase demand for information and other services that NAC provides, and may result in greater acceptance of medical cannabis.

If the *Cannabis Act* becomes law as drafted in Bill C-45, additional opportunities may become available for NAC. NAC will consider any pivots to benefit from store front sale, product diversification, adult use, or other legislative changes. However, the Company has discounted each of these potential opportunities in its current business model. The success of NAC's current business plan, which forms the merits of this Transaction, is not dependent upon the creation or potential size of a legalized adult use cannabis market within the Canadian cannabis industry.

The business of medical marijuana and patient services is neither cyclical or seasonal. Patient demand is based on medical need and this need is not a factor of season or markets. However, the business is subject to physician availability. Physicians, like many Canadians, take holidays in July, August, March break and at Christmas. This generally creates a backlog of patients and stifles New Patient Acquisition during these times. Growth of revenue from education grants and merchandise sales may show a one month lag in months preceding typical Canadian vacation times. However, the lag creates a greater growth rate in patient acquisition in the month following the times of Canadian holidays.

Marketing Plans and Strategies

Patient Acquisition

NAC's planned expansion is contingent upon its patient member growth. Thus, NAC's patient acquisition strategy is a critical component of its future success. To that end, NAC has hired the award winning digital advertising agency *OneMethod*, who are currently developing a social media outreach initiative that will commence in during the second quarter of the 2017 financial year.

NAC focuses on the following key strategies to grow it's the number of its patient members as well as drive corporate location growth:

- 1) **Facebook:** paid advertising will be used to target receptive user demographics in key regions targeted for expansion with informational content, thereby driving relevant interest to the site and/or NAC locations.
- 2) **Twitter:** with fewer ad restrictions, Twitter is used to build broad patient awareness, encourage site visits as well as to communicate directly with those interested individuals seeking more information on medical cannabis.
- 3) **Radio:** NAC has begun testing radio advertisements in key markets targeted for expansion to build brand awareness using this more conventional media platform. The Company intends to expand this initiative in Q2, 2017.
- 4) **YouTube:** NAC will provide comprehensive video content that will serve as an educational and informational resource to its members and prospects: product reviews and new location content is currently being tested.

Over the next 12 months, NAC has assumed the following budget for marketing and advertising.

MARKETING & ADVERTISING PROJECTED		
AUG 2017	SEP 2017	OCT 2017
\$12,000	\$45,000	\$15,000
NOV 2017	DEC 2017	JAN 2018
\$10,000	\$5,000	\$5,000
FEB 2018	MAR 2018	APR 2018
\$5,000	\$5,000	\$5,000
MAY 2018	JUN 2018	JUL 2018
\$5,000	\$25,000	\$5,000

There are certain strategic marketing initiatives that NAC will be implementing in the months of September 2017 and June 2018. The September campaign will be directed at all existing locations and the expansion into the Edmonton market with an Edmonton clinic. Both campaigns will be heavily weighted in online marketing. In September 2017, NAC will be spending an average of \$2,500 per existing location for Google Adwords and Facebook ads. The remaining \$20,000 will be spent in Edmonton. The spend in September 2017 in Edmonton will also include Google Adwords and Facebook ads. Beyond online advertising, the Edmonton September 2017 marketing campaign will include PR media engagement and radio campaigns, totaling \$15,000. The September campaign will be slowly reduced over the month of October, bringing down the spend on Google Adwords and Facebook ads. NAC will also be investing in two minor campaigns in November 2017 to promote the expansion into Montreal and PEI. The campaign will be spent on Google Adwords and Facebook ads.

NAC will be running a campaign in June 2018 in preparation for the extraordinary circumstances of Federal Legalization in July 2018. This will be an online campaign and will consist of \$20,000.

The base line marketing that NAC will be running is \$5,000 a month. This spend will be for online marketing through Google Adwords and Facebook ads and will be spread over every NAC clinic.

NAC's pricing policy is to offer competitive market pricing on all merchandise sales, pegging merchandise sales at average pricing levels. For any member of NAC, NAC offers a 10% discount on all merchandise.

This policy is meant to increase demand. NAC has recently changed its pricing policy to remove all Consulting Fees. This policy was intended to make NAC more competitive and increase conversion from prospective members to members.

Since a majority of future revenue will come from education grants, NAC's policy is to try and maximize the percentage of education grant, targeting 20% of the patient's order.

Business Model

The Company's business model results in distinct sources of revenue consisting of LP Educational Grants and merchandise sales.

- 1) **LP Educational Grants:** after diagnosing a patient's cannabis strain requirements, NAC caregivers may spend time educating the patient on the different Licensed Producers and their respective products. After the education the NAC caregiver refers the patient to an appropriate Licensed Producer to purchase medication. NAC receives a grant from the Licensed Producer for the patient support and education provided.
- 2) **Merchandise Sales:** NAC resells branded non-cannabis products and accessories through its clinic locations and via its online ecommerce site located at <https://shop.nationalaccesscannabis.com/> Items such as vaporizers, grinders and edible cooking mixes are featured from the most recognizable brands. The Company receives a commission from the brand vendor upon sale.

Competitive Conditions

The medicinal marijuana industry is intensely competitive. NAC faces direct competition to attract medical patients to its clinic locations in key geographical areas of British Columbia, Alberta and Ontario. NAC competes with other companies that may have greater financial resources and technical facilities. In addition to existing competitors, other businesses are expected to compete in the clinic space and provide additional patient servicing under the ACMPR regulatory regime. The main competitors of NAC's clinics include similar clinics, illegal dispensaries, individual prescribing physicians, and possibly Licensed Producers.

Clinics

Canabo Medical Inc. ("CMC") is a provider of medical services and (non-cannabinoid) products for patients suffering from chronic pain and disabling illnesses through health clinics operated by qualified health care practitioners. CMC currently operates 12 clinics across Canada and has disclosed plans to open 6 more planned during 2017. The company has a nationwide footprint, with significant expansion planned. CMC provides independent medical marijuana evaluations for employers and insurers as well as medical marijuana scientific research. CMC currently has a database of over 10,000 patients with full medical profiles for each, including individual cannabinoid consumption. This proprietary database assists in the advancement of research for the benefit of insurers, medical practitioner, clinical research and the pharmaceutical industry. Each CMC clinic is staffed by a qualified health practitioner legally permitted to prescribe medicinal marijuana for pain therapy or treatment of disabling illnesses. All new physicians who join a Canabo practice complete training specifically related to the assessment, treatment and use of cannabinoid therapies. A significant amount of CMC's revenue (63% during FY2016) is derived from medical consultation fees, which are contingent upon third-party physician referrals to CMC Clinics, who may choose to write the prescriptions directly in the future.

Canadian Cannabis Clinics (“CCC”) is another clinic provider with a dedicated staff committed to helping patients with managing their symptoms from a variety of conditions through the use of medical cannabis. CCC also provides patient, physician and general public educational services on the effective use of medical cannabis. CCC also collaborates with academic researchers to advance the state of the science regarding the medical use of cannabis. CCC was the first “fee-free” medical marijuana clinic and offers free visits for patients with a valid provincial health card, eliminating a major patient barrier to adoption. An on-site counsellor assists patients with a prescription to choose proper strains and select a licensed producer. CCC operates 19 clinics in Canada, including seven in the Greater Toronto Area planned. CCC currently has the largest market penetration among the NAC’s competitors. CCC is primarily reliant on provincial health department reimbursements. Revenues generated by physician engagement (scope of exam and assessment) and physician specialty are subject to change by each provincial health department.

Trauma Healing Centres (“THC”) is another clinic specializing in medical marijuana, operating four locations in three provinces Ontario, New Brunswick and Nova Scotia. THC offer more services beyond prescription cannabinoids, such as massage therapy, diet consultation and counseling services. Patients are required to have a referral or their medical history with a proper diagnosis to be seen.

Dispensaries

In addition to clinics, illegal dispensaries are a main competitor for the Business. There are many dispensaries in areas such as Toronto and Vancouver such as Cannawide, The Medicinal Cannabis Dispensary, and Urban Earth Med. These are not clinics with physicians prescribing marijuana, mostly require memberships, and sell the marijuana on site.

Physicians

Individual physicians are able to prescribe medical marijuana directly with their own patients as there is no requirement for either general practitioners or specialists to refer patients to a specialized cannabinoid clinic. Several clinics that operate specialized medicine are investigating medical marijuana prescription services.

Other

Several “Compassionate Clubs” exist and operate in grey areas of the legal framework around marijuana legislation throughout Canada. These clubs provide a safe access and resource area for patients with medical documentation under the MMAR, but they are not considered medical clinics or medical practices. These clinics do not prescribe cannabinoids and are not developing any research with a patient base.

Proprietary Protection

NAC does not hold any patents or have any patent applications pending. NAC intends to develop and protect tradenames and trademarks to the extent possible under applicable laws and in proportion to the use of time and resources that management determines is appropriate in the best interests of the company.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

Selected Financial Information

The following table sets out certain selected financial information of NAC, consolidated with its wholly-owned subsidiary NA Canada. Please see the consolidated financial statements of NAC for the periods in the table below which are attached hereto as **Appendix “C”**.

	Nine Months ended May 31, 2017 (unaudited)	Year Ended August 31, 2016 (Audited)	Year Ended August 31, 2015 (Audited)
Total Assets	3,231,414	1,675,195	2,009,853
Total Long-Term Liabilities	12,654	15,925	9,625
Current Liabilities	2,519,682	635,835	101,326
Revenues	791,343	313,814	13,702
General and administrative expenses	3,055,373	1,276,157	458,287
Net Income (Loss), from continuing operations	(3,033,544)	(1,342,641)	(541,262)
Net Income (Loss), total	(3,033,544)	(1,342,641)	(495,933)
Net Gain (Loss) per Share (basic and diluted)	(0.06)	(0.04)	(0.03)

Management's Discussion and Analysis

Please see NAC's Management Discussion and Analysis for the year ended August 31, 2016, which is attached hereto as **Appendix "D"**.

DESCRIPTION OF THE SECURITIES

Securities

NAC has the following securities issued and outstanding which will be exchanged for securities of Brassneck at Closing of the Transaction.

Common Shares

NAC is authorized to issue an unlimited number of common shares without par value of which, as at the Effective Date, 78,612,568 are issued and outstanding as fully paid and non-assessable. The holders of NAC Shares are entitled to receive notice of and to attend all meetings of the NAC Shareholders and shall have one vote for each NAC Share held at all meetings of the NAC Shareholders. The holders of NAC Shares are entitled to: (a) receive any dividends as and when declared by the board of directors, out of the assets of NAC properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine; and (b) receive the remaining property of NAC (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of NAC. The holders of NAC Shares have no pre-emptive, redemption or conversion rights. NAC Shares will be exchanged for Brassneck Shares in connection with the Transaction. There are no applicable sinking or purchase fund provisions applicable to the NAC Shares. NAC is authorized to issue an unlimited number of NAC Shares; there NAC Shares do not contain provisions restricting the issuance of additional NAC Shares or other securities, nor are there provisions which require NAC Shareholders to contribute additional capital.

Performance (Common) Shares

NAC has issued 8,074,800 NAC Shares based on services and other value received by the NAC by various consultants and employees. These NAC Shares have been placed into the Performance Escrow, to be released the respective Performance Party following his or her accomplishment of pre-defined performance events and milestones. The Performance Shares were issued for a deemed value of \$0.125 per Performance Share and placed into the Performance Escrow pursuant to Performance Escrow Agreements between Owen Bird Law Corporation, NAC and each of the Performance Parties. Any Performance Shares that are not earned out of the Performance Escrow by the time set out in the applicable agreements will be returned to treasury for cancellation. All of the Performance Shares will be exchanged into an equivalent number of Brassneck Shares at Closing.

Stock Options

As of the date of the Effective Date, NAC had 7,575,000 options to acquire NAC Shares issued and outstanding. The terms of the various options and number of Optionees holding such options are set forth in the table below.

Number of Optionees	Number of Options	Exercise Price	Expiration Date
5	3,350,000	\$0.15	June 7, 2019
1	1,000,000	\$0.15	September 20, 2021
11	425,000	\$0.15	November 22, 2018
2	850,000	\$0.15	March 29, 2020
1	1,200,000	\$0.25	May 30, 2020
1	750,000	\$0.25	December 31, 2022
19	7,575,000		

Pursuant to the Amalgamation Agreement, NAC has entered into an Option Conversion Agreement with each NAC Optionholder. At Closing of the Transaction, each of the NAC Options outstanding will be exchanged for a Resulting Issuer Option with identical terms to the respective NAC Option.

Convertible Notes

On April 11, 2017, NAC completed the non-brokered Convertible Note Financing for aggregate proceeds of \$1,000,000. per annum, payable semi-annually, with any accrued interest to be forgiven upon closing of the Transaction and which provide that immediately prior to Closing of the Transaction, each convertible note will automatically convert into one NAC Share at a deemed exercise price of \$0.20 per NAC Share. The result will be the issuance of 5,000,000 NAC Shares immediately prior to the completion of the Qualifying Transaction. All of the NAC Shares issued to holders of the Convertible Notes will be exchanged for Brassneck Shares pursuant to the Amalgamation Agreement.

Subscription Receipts

NAC issued 24,000,000 Subscription Receipts under the Private Placement. Each Subscription Receipt will be deemed to be converted into one NAC Share without further payment from or action on the part of the holder upon satisfaction of the Escrow Release Conditions and delivery of the Release Notice to the Escrow Agent. The holders of Subscription Receipts are not NAC Shareholders and are not entitled to receive notice of or carry the right to vote at a meeting of NAC Shareholders. The NAC Shares issued to holders of Subscription Receipts upon delivery of the Release Notice will be exchanged for Brassneck Shares pursuant to the Amalgamation Agreement.

Delivery of the Release Notice will occur upon satisfaction of the Escrow Release Conditions, which include confirmation that: (i) all conditions precedent to the Closing of the Proposed Transaction shall have been satisfied or waived to the satisfaction of Brassneck and NAC; (ii) the TSXV shall have conditionally approved the listing of the Common Shares of the Resulting Issuer on the TSXV; (iii) all regulatory, shareholder and third-party approvals, if any, required in connection with the Proposed Transaction shall have been received (other than the final approval of the TSXV); and (iv) NAC shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for

those breaches or defaults that have been waived by the Agents, and all conditions set out in the Agency Agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of NAC.

Broker and Agent Warrants

In connection with the Convertible Note Financing, NAC issued 150,000 Broker Warrants to PI for certain services provided in connection with the Convertible Note Financing to purchase up to an equivalent number of NAC Shares at an exercise price of \$0.20 per NAC Share at any time prior to April 11, 2019. The issued, outstanding and unexercised Broker Warrants at the time of Closing of the Transaction will be exchanged for Resulting Issuer Broker Warrants with identical terms as the Broker Warrants surrendered at Closing pursuant to the terms of the Amalgamation Agreement.

Pursuant to the Agency Agreement entered into in connection with the Private Placement, NAC issued 960,000 warrants to the Agents to purchase up to an equivalent number of NAC Shares at an exercise price of \$0.25 per NAC Share at any time prior to July 10, 2019. The issued, outstanding and unexercised Agents Warrants issued to the Agents of the Private Placement in consideration for their services will be exchanged for Resulting Issuer Broker Warrants with identical terms as the Agents Warrants surrendered at Closing pursuant to the terms of the Amalgamation Agreement.

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

The following table sets out the consolidated capitalization of NAC together with its wholly-owned subsidiaries as of the six month period ended May 31, 2017 and as at the Effective Date of this Filing Statement. Since NAC's most recently completed financial quarter May 31, 2017, the company has completed the Private Placement of Subscription Receipts and has issued 8,074,800 Performance Shares and 2,050,200 NAC Shares as payment to several employees and consultants, converted its special warrants into NAC shares, issued additional NAC Shares upon the exercise of NAC Options and issued other NAC Shares as payments for debts and services.

Designation of Security ⁽¹⁾	Amount Authorized	Amount Outstanding (As of May 31, 2017)	Amount Outstanding (As of August 28, 2017)
Common Shares ⁽³⁾	Unlimited	69,927,568	78,612,568
Options ⁽²⁾	7,861,256	7,575,000	7,575,000 ⁽²⁾
Common Shares underlying the Convertible Notes ⁽⁴⁾	N/A	5,000,000	5,000,000
Common Shares underlying the Subscription Receipts ⁽⁵⁾	N/A	0	24,000,000
Agents Warrants ⁽⁶⁾	N/A	0	960,000
Broker Warrants ⁽⁷⁾	N/A	150,000	150,000

Notes:

- (1) All NAC Shares and securities convertible into NAC Shares are disclosed.
- (2) Pursuant to the NAC Option Plan, NAC is authorized to grant such number of options equalling up to 10% of the issued and outstanding NAC Shares from time to time. As disclosed above in the section of this Filing Statement entitled "**Information Concerning NAC - Description of the Securities - Stock Option**" above there are: (i) 3,500,000 NAC Shares issuable an exercise price of \$0.15 per NAC Share pursuant to outstanding NAC Options which expire on June 7, 2019; (ii) 1,000,000 NAC Shares issuable at an exercise price of \$0.15 per NAC Share pursuant to outstanding NAC Options which expire on September 20, 2021; (iii) 425,000 NAC Shares issuable at an exercise price of \$0.15 per NAC Share pursuant to outstanding NAC Options which expire on November 22, 2018; (iv) 850,000 NAC Shares issuable at an exercise price of \$0.15 per NAC Share pursuant to outstanding NAC Options which expire on March 29, 2020; (v) 1,200,000 NAC Shares issuable at an exercise price of \$0.25 per NAC Share pursuant to outstanding NAC Options which expire on May 30, 2020; and (vi) 750,000 NAC Shares issuable at an exercise price of \$0.25 per NAC Share pursuant to outstanding NAC Options which expire n December 31, 2022.
- (3) As of May 31, 2017, the retained earnings (deficit) with respect to the NAC Shares was (\$4,872,118).
- (4) The Convertible Notes in the principal amount of \$1,000,000 were issued on April 11, 2017. The Convertible Notes are convertible into NAC Shares at a deemed exercise price of \$0.20 per NAC Share immediately prior to the Closing of the Transaction, which will result issuance of 5,000,000 NAC Shares.

- (5) The Subscription Receipts will convert into an equivalent number of NAC Shares upon satisfaction of the Escrow Release Conditions and delivery of the Release Notice pursuant to the terms of the Subscription Receipt Agreement.
- (6) The Agents Warrants were issued to the Agents in connection with the Private Placement. Pursuant to the Agency Agreement, NAC issued the Agents 960,000 Agents Broker Warrants. The Agents received the number of Agents Broker Warrants equal to 6% of the Subscription Receipts placed by the Agents to purchasers other than purchasers in the President's List and the number of Agents Broker Warrants equal to 2% of the number of Subscription Receipts placed to purchasers on the President's List. Under the terms of the Transaction, each Agents Broker Warrant will be exchanged for one Resulting Issuer Broker Warrant with identical terms to the Agents Broker Warrant surrendered at Closing. The Agents Broker Warrants will be cancelled if the Escrow Release Conditions are not satisfied. The Agents Warrants are exercisable at a price of \$0.25 per NAC Share on or before the date that is two years from the Private Placement Closing Date. In connection with the Transaction, the Agents Warrants will be exchanged for an equivalent number of Resulting Issuer Broker Warrants with terms identical to the Agents Warrants.
- (7) The Broker Warrants were issued to PI in connection with the Convertible Note Financing, and are exercisable into NAC Shares at a price of \$0.20 per NAC Share on or before April 11, 2019. In connection with the Transaction, the Broker Warrants will be exchanged for an equivalent number of Resulting Issuer Broker Warrants with terms identical to the Broker Warrants.

PRIOR SALES

Prior Sales

The following table states the dates and the prices at which securities of the issuer have been sold within the 12 months before the date of this Filing Statement and the number of securities of the class sold at each price.

Date of Sale	Number of Securities	Type of Securities	Price or Exercise Price	Arm's Length or Non-Arm's Length
September 20, 2016	4,000,000	Common Shares	\$0.05	Arm's Length
October 24, 2016	8,000,000	Common Shares	\$0.05	Non-Arm's Length
November 1, 2016	2,700,000	Common Shares	\$0.15	Non-Arm's Length
November 22, 2016	2,221,860	Common Shares	\$0.15	Non-Arm's Length
December 21, 2016	1,300,000	Common Shares	\$0.25	Arm's Length
December 28, 2016	200,000	Common Shares	\$0.25	Non-Arm's Length
February 7, 2017	1,120,000	Common Shares	\$0.25	Non-Arm's Length
February 7, 2017	1,694,000	Common Shares ⁽³⁾	\$0.25	Arm's Length
March 29, 2017	250,000	Common Shares	\$0.00001	Non-Arm's Length
May 30, 2017	250,000	Common Shares	\$0.00001	Non-Arm's Length
May 31, 2017	1,440,000	Common Shares	\$0.25 ⁽⁶⁾	Arm's Length
July 14, 2017	610,200	Common Shares	\$0.25 ⁽⁶⁾	Both
July 14, 2017	8,074,800	Common Shares	\$0.125 ⁽⁷⁾	Both
October 26, 2016	2,633,333	Special Warrants ⁽¹⁾	\$0.15	Arm's Length
December 22, 2016	666,666	Special Warrants ⁽¹⁾	\$0.15	Arm's Length
September 20, 2016	1,000,000	Options	\$0.15	Arm's Length
November 22, 2016	425,000	Options	\$0.15	Arm's Length
January 17, 2017	600,000	Options ⁽²⁾	\$0.25	Non-Arm's Length
March 25, 2016	500,000	Options ⁽⁴⁾	\$0.00001	Non-Arm's Length
March 29, 2017	600,000	Options	\$0.15	Non-Arm's Length
March 29, 2017	250,000	Options	\$0.15	Arm's Length
May 15, 2017	750,000	Options	\$0.25	Non-Arm's Length
May 30, 2017	1,200,000	Options	\$0.25	Arm's Length
April 11, 2017	1,000,000	Convertible Notes ⁽⁵⁾	\$0.20	Arm's Length
April 11, 2017	150,000	Broker's Warrants ⁽⁸⁾	\$0.20	Arm's Length
July 10, 2017	24,000,000	Subscription Receipts	\$0.25	Both
July 10, 2017	960,000	Agents Warrants ⁽⁹⁾	\$0.25	Arm's Length

Notes:

- (1) Originally issued as special warrants, converted to common shares on May 12, 2017.
- (2) Issued and subsequently cancelled by the Issuer.
- (3) 300,000 of the 1,694,000 originally issued as special warrants, converted to common shares on May 12, 2017.

- (4) 250,000 options exercised March 29, 2017 and the remaining 250,000 options exercised May 30, 2017.
- (5) Pursuant to the agreements entered into between NAC and each holder of the Convertible Notes, NAC will pay each holder the principal sum of the holder investment amount either in cash or common shares at a deemed price of \$0.20 per common share on or before August 30, 2017.
- (6) Performance Shares issued at a deemed price of \$0.25 per Performance Share.
- (7) Performance Shares issued at a deemed price of \$0.125 per Performance Share.
- (8) In connection with the Convertible Note Financing, NAC issued 150,000 warrants to PI to purchase up to an equivalent number of NAC Shares at an exercise price of \$0.20 per NAC Share at any time prior to April 11, 2019. The issued, outstanding and unexercised Broker Warrants issued to PI in consideration for its services under the Convertible Note Financing will be exchanged for Resulting Issuer Broker Warrants with identical terms as the Broker Warrants surrendered at Closing pursuant to the terms of the Amalgamation Agreement.
- (9) In connection with the Private Placement, NAC issued 960,000 warrants to the Agents to purchase up to an equivalent number of NAC Shares at an exercise price of \$0.25 per NAC Share at any time prior to July 10, 2019. The issued, outstanding and unexercised Agents Warrants issued to the Agents of the Private Placement in consideration for their services will be exchanged for Resulting Issuer Broker Warrants with identical terms as the Agents Warrants surrendered at Closing pursuant to the terms of the Amalgamation Agreement.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

At no time prior to the Effective Date of this Filing Statement was NAC a reporting issuer under applicable Canadian securities laws. Notwithstanding this, executive compensation disclosure for each of the target company's four most highly compensated executive officers, including the Chief Executive Officer, is provided below for fees earned for the year ended August 31, 2015 and August 31, 2016 as well as compensation paid to the period ended May 31, 2017 on an annualized basis pursuant to agreements with NAC.

Name and principal position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	All other Compensation (\$)	Total Compensation (\$)
Mark Goliger, <i>Chief Executive Officer</i> ⁽¹⁾	2017	29,231.	Nil	124,995	6,500	160,726
Mike Best, <i>Chief Financial Officer (Interim)</i> ⁽²⁾	2017	44,769	30,247	41,852	Nil	116,868
Derek Ogden, <i>President & Chief Operating Officer</i> ⁽³⁾	2017	112,500	-	Nil	Nil	112,500
	2016	149,000	Nil	9,574	Nil	158,574
Gulwant Bajwa, <i>Chief Executive Officer</i> ⁽⁴⁾	2016	21,668	Nil	Nil	Nil	21,668
	2015	51,462	Nil	Nil	Nil	51,462
Lucie Letellier <i>Chief Financial Officer (Acting)</i> ⁽⁵⁾	2016	5,000	Nil	Nil	20,000	25,000
	2015	70,000	Nil	Nil	Nil	70,000

Notes:

- (1) Mark Goliger was engaged and appointed on March 25, 2017. Mr. Goliger has a base salary of \$200,000. In addition to his base salary, NAC has granted Mr. Goliger an aggregate of 500,000 NAC Options with an exercise price of \$0.0001 in connection with his appointment as Chief Executive Officer of NAC. All options have been exercised as of the Effective Date. Mr. Goliger has also received an additional 750,000 NAC Options with a strike price of \$0.25 per NAC Share. The 750,000 options are performance based and will only be available upon achieving certain milestones.
- (2) Mike Best was appointed on October 17, 2016 as Chief Financial Officer. Mr. Best received 600,000 NAC shares in lieu of salary during his first 92 days of employment between October 17, 2016 and January 17, 2017. A share-based compensation expense of \$30,247 was recorded to account for the fair value of the shares. Mr. Best also received 600,000 stock options with an exercise price of \$0.15 upon completion of his probationary period. These unexercised options shall be exchanged for Resulting Issuer Options pursuant to the Amalgamation Agreement. The value of these option based awards was determined to be \$41,852. The fair value of options is determined at the grant date using the Black-Scholes Option Pricing Model. Mr. Best has base salary of \$120,000
- (3) NAC has entered into an amended consulting agreement dated September 1, 2016 with Obsidian Consulting Corp., an entity wholly-owned by Derek Ogden, the President & Chief Operating Officer of NAC. Pursuant to the agreement, Obsidian Consulting Corp. is entitled to a payment of \$12,500 monthly and received 1,000,000 NAC Options exercisable at an exercise price of \$0.15 for a period of five years from the date of the

agreement. The value of the options granted was determined to be \$9,574. The fair value of options is determined at the grant date using the Black-Scholes Option Pricing Model.

- (4) Gulwant Bajwa was NAC's CEO from April 2015 to October 2015 and earned a salary of \$140,000 on an annualized basis.
- (5) Lucie Letellier was NAC's acting CFO between February 2015 and September 2015. Ms. Letellier was paid a \$20,000 release payment on September 10 2015.

Management Contracts

Mark Goliger – Chief Executive Officer

Mark Goliger executed an employment agreement, as Chief Executive Officer, on March 25, 2017, signing for an indefinite term. As CEO, Mark Goliger has agreed to obey and carry out all lawful and ethical orders and directions given to him by the Board of Directors of the Corporation. Mr. Goliger is entitled to terminate this Agreement and his employment with the Corporation at any time by providing 4 weeks' prior written notice to the Corporation. The Corporation is entitled to terminate Mr. Goliger's employment at any time, without cause, by providing the Executive written notice of the termination, all accrued but unpaid Base Salary, vacation pay and expenses properly incurred in the carrying out of his duties to the date of termination and a lump sum payment of \$100,000 less required withholdings. Mr. Goliger has a base salary of \$200,000. In addition to his base salary, NAC has granted Mr. Goliger an aggregate of 500,000 NAC Options with an exercise price of \$0.0001 in connection with his appointment as Chief Executive Officer of NAC. All options have been exercised as of the Effective Date. Mr. Goliger has also received an additional 750,000 NAC Options with a strike price of \$0.25 per NAC Share. The 750,000 options are performance based and will only be available upon achieving certain milestones.

Mike Best – Chief Financial Officer

NAC's management functions are substantially performed by its directors and officers with the exception of Michael Best. Mr. Best is currently functioning as the de facto CFO of NAC will be appointed as the Chief Financial Officer of the Resulting Issuer at the time of Closing of the Transaction, NAC considers Mr. Best to be an Insider for all purposes.

Mr. Best has an employment agreement with NAC that sets out that he will perform the functions of the Chief Financial Officer. Mr. Best may terminate the agreement with a minimum of 60 days' written notice of termination. NAC may terminate the agreement with a minimum of 30 days' written notice of termination without cause and immediately with just cause. In the event of a change in control, as defined in the agreement, the agreement will be binding on the successor company. As consideration for his employment, Mr. Best received 600,000 NAC Shares over the course of his first 92 days with the company, which was his probation period. In addition, Mr. Best received 600,000 NAC Options that may be exercised into NAC Shares at an exercise price of \$0.15 for a period of three years. Mr. Best also receives an annual salary of \$120,000, which began after the end of his probation period.

Jean-Guy Bourguignon- Vice-President of National Operations

NAC has entered into a consulting agreement dated May 1, 2017 with Clinical Cannabinoid Consulting Group Inc, an entity jointly-owned by Jean-Guy Bourguignon and Francois Halle. Pursuant to the consulting agreement NAC has retained Mr. Bourguignon as Vice-President of National Operations to perform the services related to opening a flagship clinic in Ottawa and oversee the conduct of marketing campaigns, media releases, political presence and clinical offerings. Mr. Bourguignon will be part of the executive officers with decision-making capacities and contribute to the strategic business planning and decisions of the company. Mr. Bourguignon is also tasked with negotiating, arranging for and placing kiosk operations. He will also be required to travel to all NAC locations to review all medical and operational procedures. In addition, he may be requested to perform other tasks which will generally fit within the role of a Vice-President as may be requested of him by the Board from time to time.

Pursuant to the consulting agreement, Mr. Bourguignon shall receive an annualized salary of \$100,000 and 600,000 NAC Options to acquire NAC Shares at an exercise price of \$0.25 per NAC Share. The options granted pursuant to the Agreement will vest as follows: (i) 200,000 upon the completion of the Transaction; (ii) 200,000 with three (3) months after the Listing Date; and (iii) 200,000 with six (6) months after the Listing Date. In addition, Mr. Bourguignon is eligible to receive a one-time bonus of up to \$100,000 for referring new Members to NAC as follows: \$25 will be received for each new Member who: (1) registers through Mr. Bourguignon or who indicates upon registration that the Member is registering following a referral from Mr. Bourguignon and (2) makes an order with a Licensed Producer with a referral agreement with NAC within three months of becoming a Company

Member. The bonus payment is limited to a maximum of \$100,000 payable in two parts: the first paid as soon as possible following the six month anniversary of the consulting agreement and the remainder as soon as possible following the twelve month anniversary of the consulting agreement.

François Halle – Vice-President of Medical Science and Clinical Affairs

NAC has entered into a consulting agreement dated May 1, 2017 with Clinical Cannabinoid Consulting Group Inc, an entity jointly-owned by Jean-Guy Bourguignon and Francois Halle. Pursuant to the consulting agreement NAC retained Mr. Halle as Vice-President of Medical Science and Clinical Affairs of NAC. Pursuant to the agreement, Mr. Halle will perform services related to opening a flagship clinic in Ottawa and overseeing the conduct of marketing campaigns, media releases, political presence and clinical offerings. Mr. Halle will be part of the executive officers with decision-making capacities. Mr. Halle is also tasked with negotiating, arranging for and placing kiosk operations. He will also be required to travel to all NAC locations to review all medical and operational procedures. In addition, he may be requested to perform other tasks which will generally fit within the role of a Vice-President as may be requested of him by the Board from time to time.

Pursuant to the Agreement, Mr. Halle shall receive an annualized salary of \$100,000 and 600,000 NAC Options to acquire NAC Shares at an exercise price of \$0.25 per NAC Share. The options granted pursuant to the agreement will vest as follows: (i) 200,000 upon the completion of the Transaction; (ii) 200,000 with three (3) months after the Listing Date; and (iii) 200,000 with six (6) months after the Listing Date. In addition, Mr. Halle is eligible to receive a one-time bonus of up to \$50,000 for referring new Members to NAC as follows: \$25 will be received for each new Member who: (1) registers through Mr. Halle or who indicates upon registration that the Member is registering following a referral from Mr. Halle and (2) makes an order with a Licensed Producer with a referral agreement with NAC within three months of becoming a Company Member. The bonus payment is limited to a maximum of \$100,000 payable in two parts: the first paid as soon as possible following the six month anniversary of the Agreement and the remainder as soon as possible following the twelve month anniversary of the Agreement.

NON-ARM'S LENGTH PARTY TRANSACTIONS

On June 18, 2015, NAC sold its Victoria clinic to the property owner, who was also a major shareholder of NAC and a former shareholder of NA Canada before NAC purchase it in a share exchange. \$298,000 was received by NAC as consideration for the sale of the clinic.

Pursuant to an agreement dated November 17, 2016, NAC repurchased the Victoria Clinic from Alex Abellan. The consideration payable was \$50,000 and 2,000,000 common shares issued to Alex Abellan at a deemed issue price of \$0.10 per NAC Share for total consideration of \$250,000 Alex Abellan upon completion of the transaction. An additional \$50,000 is payable by NAC to Alex Abellan in the event that NAC competes a transaction to go public.

NAC has entered into an amended consulting agreement dated September 1, 2016 with Obsidian Consulting Corp. ("**Obsidian**"), an entity wholly-owned by Derek Ogden, the President & Chief Operating Officer of NAC. Pursuant to the agreement, Obsidian is entitled to a payment of \$7,500 monthly and received 1,000,000 NAC Options exercisable at an exercise price of \$0.15 for a period of five years from the date of the agreement.

LEGAL PROCEEDINGS

There are no legal proceedings material to NAC to which NAC is a party to or of which any of its assets are the subject matter. Additionally, to the reasonable knowledge of NAC, there are no such proceedings contemplated.

MATERIAL CONTRACTS

NAC has the following not entered into any material contracts outside of the ordinary course of business within two years preceding the Effective Date other than the following:

- (1) Share Exchange Agreement with NA Canada Acquisition dated May 4, 2015;
- (2) The Share Purchase Agreement for the CannApply Acquisition dated December 23, 2016;
- (3) The Agency Agreement; and

(4) The Amalgamation Agreement.

Copies of these agreements are available for inspection at Owen Bird located at Suite 2900, 595 Burrard St., Vancouver, B.C. during ordinary business hours from the Effective Date of this Filing Statement and for a period of 30 days following Closing of the Transaction.

PART V. INFORMATION CONCERNING THE RESULTING ISSUER

CORPORATE STRUCTURE

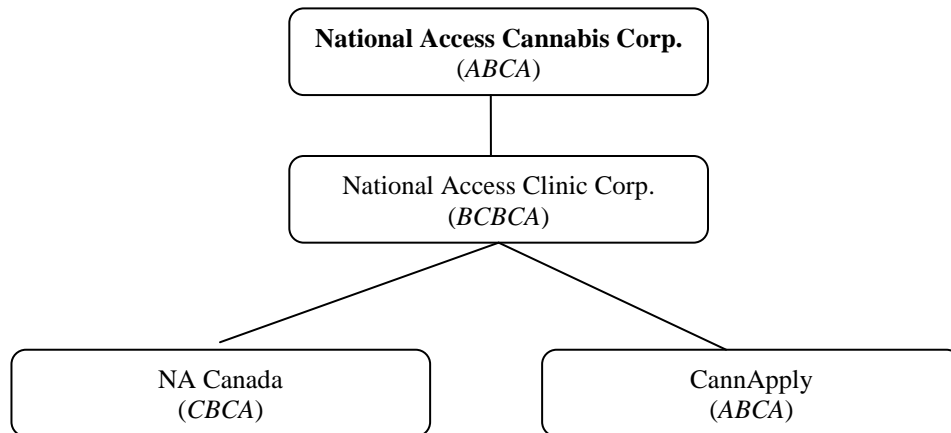
Name and Incorporation

The Resulting Issuer will be called “National Access Cannabis Corp.” and will continue to be incorporated under the ABCA as the Corporation is not amalgamating or continuing into another jurisdiction in connection with the Transaction. The Resulting Issuer will have a principal place of business at 1111 Wellington St. W., Ottawa, Ontario K1Y 2Y6 and its registered and records officer located at Suite 1900 Centennial Place, 520 – 3rd Avenue SW, Calgary, Alberta T2P 0R3.

The articles of incorporation of the Corporation will be amended in connection with the transaction to complete the Share Split and Brassneck Name Change. Approval from the Brassneck Shareholders for the Share Split and the Brassneck Name Change was obtained at the Brassneck Shareholder Meeting on June 6, 2017. The Brassneck Shareholders authorized amendments to the Corporation’s articles to: (1) split the Brassneck Shares on the basis of 1.205 post-Share Split Brassneck Shares for each pre-Share Split Brassneck Held by each registered Brassneck Shareholder; and (2) to change the name of Brassneck to “National Access Cannabis Corp.” The amendments to the Corporation’s articles will be completed immediately prior to Closing of the Transaction.

Intercorporate Relationships

Following the completion of the proposed Qualifying Transaction, NAC will amalgamate with Brassneck Subco to create Amalco, which will be a wholly-owned subsidiary of the Corporation that will be renamed National Access Clinic Corp. The Corporation will be renamed National Access Cannabis Corp. NAC will continue to hold its two subsidiaries NA Canada and CannApply, which will become indirectly wholly-owned subsidiaries of the Resulting Issuer . The following chart shows the organizational structure of the Resulting Issuer and its direct and indirectly wholly-owned subsidiaries:



NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objectives and Milestones

Following the completion of the proposed Qualifying Transaction, the Resulting Issuer will carry on the Business of NAC. See “*Information Concerning NAC - Narrative Description of the Business*” above for more information.

Over the next twelve months, the Resulting Issuer intends to focus on and achieve the following milestones:

- 1) Opening 5 new clinic locations in Provinces throughout Canada;
- 2) Signing 10 new Licensed Producer and distribution agreements;
- 3) Expansion of the Business and the number of clinic locations through strategic partnerships and joint ventures;
- 4) Establishing relationships with 15 new prescribing doctors and referring clinics;
- 5) Implementing new medical and clinical services that provide diversified revenue streams;
- 6) Developing new relationships with vendors and suppliers; and
- 7) Implementing new technology for efficiency, effectiveness and revenue generation.

Opening 5 new clinic locations in Provinces throughout Canada

Opening the five new locations will add to our geographic coverage and will help to service strategic markets. The costs and timelines are summarized in the cart below.

Location	Date of Expected Commitment	Capital Expenditures	General Administration Costs
EDMONTON	Sep-17	\$125,000	\$167,979
CALGARY	Jan-18	\$425,000	\$468,101
PEI	Nov-17	\$225,000	\$268,040
MONTREAL	Nov-17	\$250,000	\$293,040
WINNIPEG - ABORIGINAL	Jan-18	\$275,000	\$318,101

The expansion into Edmonton brings significant opportunities. First, NAC is targeting a location in one of the most heavily trafficked intersections in Edmonton. This new clinic will become our premier location for public exposure. It is also probable that the built-in marketing due to the location will lead to greater clinical revenues and a quicker breakeven.

NAC is in discussions with a medical group in Edmonton. The medical group is interested in creating a service relationship where NAC will service their patient’s education needs. This may create a significant revenue stream. NAC plans to use the targeted Edmonton location to facilitate operations and rollout of the potential service relationship.

NAC is targeting a strategic partnership with a group who have significant inroads to the veteran community in PEI. It is estimated that there are as many as 10,000 veterans on PEI. At an average of 3.4 grams per order and \$8.50 per gram, the veterans create a tremendous revenue opportunity for NAC. As a juxtaposition, the average civilian orders 1 gram a day, less than 1/3 that of a veteran. The strategic partners on PEI have a proven track record of attracting veterans, bringing 100 ordering veterans over to NAC. This 100 patient starting point is pre-marketing and business development, activities that will help to attract many veterans to NAC. As NAC is still in negotiations with the strategic partner, and bound by a mutual non-disclosure agreement, the third party shall go unnamed.

Quebec is an underserved market for medical cannabis. NAC has started discussions with a potential strategic partner. As NAC is still in negotiations with the strategic partner, and is bound by a mutual non-disclosure agreement, the third party shall go unnamed. However, they are very connected within the community, opening doors to doctors and interested patients. We are targeting a location in Montreal that like Edmonton, will have significant walk-by traffic. NAC is projecting revenue growth in Montreal to be at an accelerated growth rate, much greater than that of past clinics in the NAC system.

Currently NAC operates its Calgary operations by leveraging four physician clinics rather than operating in a devoted NAC clinic. NAC plans on expanding its Calgary operations by leasing and operating a devoted clinic. This more traditional approach will allow for more targeted marketing campaigns, pushing patients to a central location. NAC has entered into negotiations with an indigenous group in Winnipeg to open an NAC location on indigenous land. This new clinic will both serve the indigenous community and non-indigenous community. It will be a benchmark for other indigenous groups to show the positive impacts of NAC on their community. This strategic partnership is being championed by the business leaders of the Opaskwayak Cree Nation, a group that has a vested interest in NAC's success.

The primary business objective of this expansion strategy is to increase our patient acquisition, helping to increase our market share of the medical cannabis industry. For this to occur, NAC must establish deals with local market influencers, strategic partners, and secure the geographic locations. On the chart above we have disclosed the Date of Expected Commitment. NAC is expecting that we will have formal agreements between NAC and the strategic partners by the disclosed dates and that in some cases we will be able to start the build-out of clinical operations in those same months.

Signing 10 new Licensed Producer and distribution agreements

The primary business objective of signing 10 new Licensed Producers to Education Grant agreements is to increase NAC's ability to generate revenue from supporting patients. NAC has a dedicated staff member focused on this development. The cost to achieve this objective is primarily attributed to the staff member's salary, approximately \$50,000 annual salary. The staff member has been successful in generating most of the existing agreements between NAC and the Licensed Producers. According to the staff members sales pipeline, he believes that NAC should have 5 more agreements before November and the remaining 5 targeted agreements before March 2018. It should be noted that more and more Licensed Producers are being approved by Health Canada every month and these new Licensed Producers are motivated to gain patients and, therefore, revenue. This motivation and the increase in the number of Licensed Producers entering the market makes it highly likely that NAC will achieve this business objective. Expansion of the Business and the number of clinic locations through Strategic Partnerships and Joint Ventures.

NAC seeks to establish joint ventures with strategic partners with the goal of opening an additional 40 NAC locations within the next 24 months and 120 locations over the next five years. NAC plans on investing \$1,000,000 of the raised funds to this business objective. The investment of these funds will be in professional fees, leased premises and human resources. NAC assumes that it will also need to leverage additional sources of cash to achieve this business objective. However, due to the nature of the possible strategic partnerships and the results of the Federal Bill C-45 expected in Jul 2018, it is presently unknown if the source of funds should be in debt, equity or through other types of financing arrangements. NAC will know better how to proceed in July of 2018 as the Federal and Provincial Legislation is decided. The average joint venture is likely to take an investment of between \$150,000 and \$250,000 to breakeven. NAC will be targeting strategic partners and joint ventures where the partner is strategic or synergistic. Such partners or joint venture targets will be able to influence NAC's ability to generate revenue or gain a future license to participate in the legal cannabis retail space, whether medical or adult use.

NAC may work with PBDC to place NAC clinics on Opaskwayak Cree Nation land. This possibility has been discussed between the two parties, but there is no contract obligating PBDC or NAC to put a clinic on Opaskwayak Cree Nation land. If such a joint venture is to occur, then it is NAC's intention to retain 51% of the shares of any joint venture entity between NAC and Opaskwayak Cree Nation. There are no other joint ventures or expansions contemplated between the Resulting Issuer and any Principal Security Holder.

Establishing Relationships with New Prescribing Doctors

One of the mandates overseen by Dr. Francois Halle is to establish relationships with 15 new prescribing doctors and referring clinics. Dr. Halle is developing relationships with physicians that are interested in prescribing medical cannabis. These prescribing physicians can either prescribe their own patients or can support NAC clinic operations, seeing patients drawn to NAC through our expanding marketing efforts. The business objective could mature to 900 new patients a week from the 15 prescribing physicians. It is reasonable to assume that Dr. Halle can establish relationships with at least one to two new prescribing physicians a month, achieving all 15 new relationships in a year. As these physicians are likely to be located across Canada Dr. Halle is going to have to travel, an estimated cost of \$24,000 over the next twelve months. The travel plus Dr. Halle's annual salary of \$100,000 are the direct costs of achieving this business objective.

Implementing new medical and clinical services that provide diversified revenue streams

There are several types of services that NAC is contemplating. These new services should assist in generating additional revenue. Dr. Halle is investigating adding the medical patient support of spirometry and loops. These medical services can assess a patient's heart rate and lung capacity, two important health considerations when prescribing medical cannabis as a medication. This could add an average of \$40 a patient, but is an opt-in by the patient. There is no direct cost to NAC of adding these services. Implementation is based on agreements with medical support agencies.

Dr. Halle is creating specific tailored treatment plans that can be applied to many chronic and acute conditions. These treatment plans can be leveraged by, or incorporated, by multi-disciplinary practices, creating an additional revenue stream for NAC through a referral program. It is assumed that to protect the intellectual property and build a virtual infrastructure that NAC may need to invest \$25,000-\$75,000, with a potential soft launch in 2018. NAC will be sourcing an app developer in September.

Developing new relationships with vendors and suppliers

Developing new relationships with vendors and suppliers should help NAC achieve lower costs, better working capital, revenue growth or unique product lines. NAC currently has cash on delivery contracts with our merchandise vendors. This impacts our working capital and cash flow. We hope to improve both by negotiating better terms. We believe that being able to carry additional inventory levels will entice suppliers to provide better terms. Below is a chart of our targeted spend on merchandise. This spend over the next 12 months is 6 times greater than our spend in 2016.

Merchandise Revenue - Projected		
AUG 2017	SEP 2017	OCT 2017
\$15,000	\$15,750	\$16,538
NOV 2017	DEC 2017	JAN 2018
\$17,364	\$19,101	\$21,011
FEB 2018	MAR 2018	APR 2018
\$25,213	\$30,256	\$36,307
MAY 2018	JUN 2018	JUL 2018
\$43,568	\$52,282	\$62,738

Furthermore, NAC is in discussions with new suppliers to carry new medication administration equipment that can measure the exact dosage being administered to a patient. This unique equipment should improve NAC's value proposition to physicians, improving patient acquisition numbers.

Implementing new technology for efficiency, effectiveness and revenue generation

NAC is hoping to implement a new electronic medical record software that allows for "split script" technology. This new technology allows patients to place a prescription with several Licensed Producers. This will be a new value proposition to patients and prescribing physicians.

NAC signed an agreement for this technology with Alternate Health in June 2017. NAC hopes to roll this new technology out starting in late 2017 with the new clinics contemplated in part one of this section. As there is new hardware that is needed to run this technology NAC assumes the following projected milestones and costs.

LOCATION	NOV 2017	DEC 2017	JAN 2018	FEB 2018	MAR 2018
EDMONTON	\$2,500	\$2,500	\$2,500		
CALGARY			\$2,500	\$2,500	\$2,500
PEI	\$2,500	\$2,500	\$2,500		
MONTREAL	\$2,500	\$2,500	\$2,500		
WINNIPEG - ABORIGINAL			\$2,500	\$2,500	\$2,500

DESCRIPTION OF THE SECURITIES

Securities

Resulting Issuer Shares

The Resulting Issuer will be authorized to issue an unlimited number of common shares without par value of which, as at the date of this Filing Statement, 115,974,063 are expected to be issued and outstanding as fully paid and non-assessable Resulting Issuer Shares upon the closing of the Transaction.

The holders of Resulting Issuer Shares are entitled to receive notice of and to attend all meetings of the shareholders and shall have one vote for each Resulting Issuer Share held at all meetings of the shareholders. The holders of Resulting Issuer common shares are entitled to (a) receive any dividends as and when declared by the board of directors, out of the assets of the Resulting Issuer properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Resulting Issuer (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of the Resulting Issuer. The holders of Resulting Issuer common shares have no pre-emptive, redemption or conversion rights. There are no sinking or purchase fund provisions applicable to the Resulting Issuer Shares. The Resulting Issuer will be authorized to issue an unlimited number of NAC Shares; there will be no provisions of the Resulting Issuer Shares restricting the issuance of additional Resulting Issuer Shares or other securities. Shareholders of the Resulting Issuer will not be required to contribute additional capital.

Resulting Issuer Options

In connection with Closing of the Transaction, the Resulting Issuer will issue 8,269,004 Resulting Issuer Options in exchange for the issued, outstanding and unexercised Options, and for the issue, outstanding and unexercised NAC Options pursuant to the Option Conversion Agreements with each NAC Optionholder. The terms of the Resulting Issuer Options issued in exchange for the NAC Options will have terms identical to those of the NAC Options. For a description of these terms, see “Part IV – Information Concerning NAC – Securities – Options”.

Resulting Issuer Broker Warrants

In connection with Closing of the Transaction, the Resulting Issuer will issue 1,440,050 Resulting Issuer Broker Warrants in exchange for the NAC Agents Broker Warrants, NAC Agents Convertible Note Warrants and the Agent’s IPO Option. The Resulting Issuer Broker Warrants issued to the Agents in exchange for the foregoing securities will have terms identical to those of the Agents Broker Warrants and Agents Convertible Note Warrants. For a description of these terms, see “Part IV – Information Concerning NAC – Securities – Broker and Agents Warrants.”

PRO FORMA CONSOLIDATED CAPITALIZATION

Pro Forma Consolidated Capitalization

The following table sets forth the consolidated capitalization of the Resulting Issuer on a post-Share Split basis after giving effect to the Transaction.

Capital	Amount Authorized or to be Authorized	Amount Outstanding as at the Effective Date and After Giving Effect to the Transaction
Common Shares ^{(1) (2) (3)}	Unlimited	115,974,063
Preferred Shares	Unlimited	Nil
Debt	N/A	Nil

Notes:

- (1) Including the 24,000,000 NAC Shares issued in satisfaction of the Subscription Receipts issued under the Private Placement.
- (2) There will be 8,269,004 options to acquire Resulting Issuer Shares issued and outstanding. See “Part V – Information Concerning the Resulting Issuer – Options to Purchase Securities”.
- (3) The retained earnings (deficit) attributed to the Resulting Issuer shares is (\$7,876,122), as disclosed in the pro-forma balance sheet of the Resulting Issuer.

Fully Diluted Share Capital

The fully-diluted share capital of the Resulting Issuer, after giving effect to the Transaction, will consist of the securities set forth in the table below. Including all of the below securities, it is expected that there will be 115,974,063 Resulting Issuer Shares issued and outstanding, along with 9,709,054 securities convertible into Resulting Issuer Shares, or 125,683,117 Resulting Issuer Shares outstanding on a fully-diluted basis as set forth in the table below.

Security	Amount Outstanding as at the Effective Date and After Giving Effect to the Transaction	Percent of Fully-Diluted Shares Capital Represented by the Security (%)
Common Shares ⁽¹⁾	115,974,063 ⁽¹⁾	92.27
Preferred Shares	-	-
Broker/Agent Warrants/Options ⁽²⁾	1,440,050	1.15
Options ⁽³⁾	8,269,004	6.58
Total Resulting Issuer Shares	125,683,117	100.00

Notes:

- (1) Includes the NAC Shares which will be exchanged for Brassneck Shares upon Closing of the Transaction that will become Resulting Issuer Shares. The number includes the Resulting Issuer Brassneck Shares which will be exchanged for 24,000,000 NAC Shares to be issued immediately prior to Closing upon conversion of the Subscription Receipts issued July 10, 2017 under the Private Placement in

- accordance with the Escrow Release Notice, and the 5,000,000 NAC Shares to be issued immediately prior to Closing to holders of the Convertible Notes upon the deemed conversion of the Convertible Notes issued under the Convertible Note Financing on April 11, 2017.
- (2) Includes: (a) 273,900 Agents Warrants issued by Brassneck to the Agents in connection with the IPO. Following the Brassneck Share Split, there are 330,050 Brassneck Agents Warrants. Pursuant to the Brassneck agents Warrants, the Agents are entitled to purchase Brassneck Shares or, after the Closing Date, Resulting Issuer Shares at a price of \$0.10 per Brassneck Share or Resulting Issuer Share, as applicable, exercisable at any time until March 15, 2018; (b) 960,000 Agents Warrants issued to the Agents in connection with the Private Placement, pursuant to which the Agents are entitled to purchase NAC Shares or, after the Closing Date, Resulting Issuer Shares at a price of \$0.25 per NAC Share or Resulting Issuer Share, as applicable, exercisable at any time until July 10, 2019; and (c) 150,000 Agent's Convertible Note Warrants issued to PI upon completion of the Convertible Note Financing, each Agent's Convertible Note Warrant entitling PI to purchase an NAC Share or, after Closing, a Resulting Issuer Share at an exercise price of \$0.25 per NAC Share or Resulting Issuer Share, as applicable, at any time prior to April 11, 2019.
- (3) For details on the exercise prices and expiry dates of the Resulting Issuer Options expected to be outstanding at Closing, and information concerning the Resulting Issuer Stock Option Plan, see "*Part V. Information Concerning the Resulting Issuer – Options to Purchase Securities – Stock Option Plan*".

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Funds Available

The following table sets forth the estimated working capital as at August 30, 2017 as well as the estimated available funds on completion of the Transaction. See Appendix A "*Financial Statements of the Corporation*" and Appendix E "*Pro Forma Financial Statements for the Resulting Issuer*".

It is anticipated that upon completion of the Proposed Transaction, the Resulting Issuer will have approximately \$4,610,782 in available funds at Closing including the \$6,000,000 raised in the Private Placement, consisting mainly of cash, which will be used as set forth below and under "*Part IV – Information Concerning the NAC – Available Funds and Principal Purposes*".

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the Completion of the Qualifying Transaction:

Source of Funds	Amount Assuming Completion of the Transaction
Approximate Working Capital (Deficit) of NAC as of July 31, 2017	(\$1,087,000)
Approximate Working Capital (Deficit) of Brassneck as of July 31, 2017	\$87,782
Funds raised pursuant to Concurrent Private Placement ⁽¹⁾	\$5,760,000
Costs of Transaction	(\$150,000)
Total Funds Available on Completion of the Qualifying Transaction	\$4,610,782

(1) Based on gross proceeds of \$6,000,000 in the Private Placement and after the reduction of Agent Fees pursuant to the Agency Agreement.

Dividends

The holders of the Resulting Issuer's common shares are entitled to dividends if declared by the Resulting Issuer's board of directors. The Resulting Issuer does not anticipate paying any dividends on its common shares in the foreseeable future.

Principal Purposes of Funds

Upon completion of the Transaction, the Resulting Issuer is expected to have sufficient cash available to pay its operating and administration costs for at least the next twelve (12) months. The following table sets out the estimated general and administrative costs that will be incurred for the twelve (12) months after completion of the Transaction:

Use of Available Funds	Amount Assuming Completion of Transaction
Funds available upon Completion of the Qualifying Transaction	\$4,610,782
Anticipated net cash from operations of the Resulting Issuer in next 12 months ⁽¹⁾	\$1,883,000
Total Available Funds	\$6,493,782
General and administrative costs (12 months)	\$4,395,000
Location Expansion ⁽²⁾	\$1,000,000
Strategic Partnerships ⁽³⁾	\$750,000
Payable to former CannApply shareholders upon completion of Qualifying Transaction ⁽⁴⁾	\$175,000
Payable to former owner of Victoria location upon completion of Qualifying Transaction ⁽⁵⁾	\$50,000
Unallocated working capital	\$123,782
Total Use of Funds Available	\$6,493,782

See “Part III – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes”.

Notes:

- (1) This constitutes future-oriented financial information and states the Resulting Issuer’s expectations based on the growth rates of NAC’s existing locations over the past six (6) months.
- (2) The Resulting Issuer intends to open up to five (5) new clinics during the next twelve (12) months following completion of the Transaction. Total costs to accomplish this objective are estimated to be \$1,000,000. Please see “Part V. Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones.”
- (3) The Resulting Issuer intends to accomplish the following goals during the twelve (12) months following completion of the Transaction: (i) sign distribution agreements with 10 new Licensed Producers; (ii) expand the Business and the number of clinic locations through Strategic Partnerships and Joint Ventures; and (iii) establish relationships with 15 new prescribing doctors and referring clinics. Total costs to accomplish this objective are estimated to be \$750,000. Please see “Part V. Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones.”
- (4) Pursuant to agreement relating to the CannApply Acquisition, (as disclosed herein) the Resulting Issuer will be required to make a payment of \$175,000 upon completion of the Transaction.
- (5) Pursuant to the purchase agreement related to the purchase and sale of the Victoria Clinic, (as disclosed herein) the Resulting Issuer will be required to make a payment of \$50,000 upon completion of the Transaction.

PRINCIPAL SECURITY HOLDERS

Upon completion of the Transaction, only PBDC— a corporation created under the laws of Manitoba with an office in *Opaskwayak, Manitoba* – is expected to own or beneficially, directly or indirectly, or exercise control or direction over more than 10% of the Resulting Issuer Shares. It is anticipated that PBDC will beneficially own 12,000,000 Resulting Issuer Shares upon completion of the Transaction. PBDC subscribed for and purchased 12,000,000 Subscription Receipts in the Private Placement, which will be converted to NAC Shares issued upon conversion of the Subscription Receipts and exchanged for Resulting Issuer Shares at Closing. At closing, PBDC will control representing 10.35% of the Resulting Issuer Shares expected to be issued and outstanding immediately after giving effect to the Transaction.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following table lists the name, municipality of residence, proposed position with the Resulting Issuer, principal occupation and anticipated shareholdings of each of the directors and officers of the Resulting Issuer.

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation and Positions Held During the last 5 years	Number of Common Shares Owned, Beneficially Held or Controlled upon completion of the Transaction ⁽¹⁾	% of Class Held or Controlled ⁽¹⁾
Charles (Chuck) Rifici <i>Ottawa, Ontario</i>	Chairman and Director ⁽²⁾	Independent Businessman	9,240,000	7.97
Marc Lustig <i>Vancouver, British Columbia</i>	Director ⁽³⁾	Finance Professional and Independent Businessman	0	--
Rocco Meliambro <i>Ottawa, Ontario</i>	Director ⁽⁴⁾	Investor and Independent Businessman	9,676,860	8.34
Dr. John Gillis <i>Halifax, Nova Scotia</i>	Director ⁽⁵⁾	Physician	100,000	0.09
Jeff Hunt <i>Ottawa, Ontario</i>	Director ⁽⁶⁾	Senior Sports Executive and Independent Businessman	4,700,000	4.05
Mark Goliger <i>Burlington, Ontario</i>	Chief Executive Officer	Senior Officer of Franchise-based Businesses	1,500,000	1.29
Derek Ogden <i>Ottawa, Ontario</i>	President	RCMP Officer and Independent Law Enforcement Consultant	1,150,000	1
Michael Best <i>Ottawa, Ontario</i>	Chief Financial Officer	Accountant	1,000,000	0.86
Michael Saliken <i>Calgary, Alberta</i>	Corporate Secretary	Attorney	241,000	0.21
Jean-Guy Bourguignon <i>Ottawa, Ontario</i>	Vice President of National Operations	Government and private consultant	200,000	--

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation and Positions Held During the last 5 years	Number of Common Shares Owned, Beneficially Held or Controlled upon completion of the Transaction ⁽¹⁾	% of Class Held or Controlled ⁽¹⁾
Francois Halle <i>Cantley, Quebec</i>	Vice President of Medical Science and Clinical Affairs	Physician, President/Senior Advisor to FEMCO, VP Medical and Scientific Affairs for Marijuana for Trauma	200,000	--

Notes:

- (1) Based on the anticipated total amount of 115,974,063 Resulting Issuer shares issued and outstanding upon Completion of the Qualifying Transaction, which assumes that: (a) 24,000,000 NAC Shares will be issued pursuant to the conversion of the Subscription Receipts sold in the Private Placement; (b) 5,000,000 NAC Shares were issued pursuant to the conversion of the Convertible Notes concurrent with the conversion of the Subscription Receipts immediately prior to Closing; (c) completion of the Brassneck Share Split; and (d) that no convertible securities of either NAC or the Corporation are exercised prior to Closing of the Transaction.
- (2) Mr. Rifici has served as a director of NAC since he was first appointed on April 14, 2016. He was reappointed at the NAC Shareholder Meeting to serve as a director of NAC until the next annual general meeting of NAC Shareholders.
- (3) Mr. Lustig has not previously served as a director of NAC.
- (4) Mr. Meliambro has served as a director of NAC since he was first appointed on February 11, 2016. He was reappointed at the NAC Shareholder Meeting to serve as a director of NAC until the next annual general meeting of NAC Shareholders.
- (5) Mr. Gillis has not previously served as a director of NAC. Mr. Hunt has not previously served as a director of NAC.
- (6) Pursuant to an agreement between NAC and PBDC, PBDC obtained the right to appoint one individual to the board of directors of the Resulting Issuer or, alternatively, to appoint a special advisor to the Board of the Resulting Issuer.
- (7) Clinical Cannabinoid Consulting Group Inc. has 400,000 common shares in escrow, which it will receive out of escrow as Performance Shares total for the first 2,000 patients it is responsible for who register with the Company and purchase with an affiliated Licenced Producer. Clinical Cannabinoid Consulting Group Inc. is owned 50% by Jean-Guy Bourguignon and 50% by Francois Halle.

Audit Committee

The audit committee is the only committee of the board of directors of the Resulting Issuer upon completion of the Transaction. It is expected that the audit committee will be made up of Marc Lustig, Rocco Meliambro and John Gillis.

Management

It is currently contemplated that on completion of the Transaction and the receipt of the requisite approvals from the applicable regulatory authorities, including approval of the Exchange, there will be five directors of the Resulting Issuer, consisting of: Chuck Rifici, Rocco Meliambro, Dr. John Gillis, Jeff Hunt and Marc Lustig. It is further anticipated that Mark Goliger will be appointed Chief Executive Officer, Michael Best will be appointed Chief Financial Officer, Derrick Ogden will be appointed President and Michael Saliken will be appointed Corporate Secretary of the Resulting Issuer. Other than Michael Saliken, the current directors and officers of Brassneck shall resign at or prior to the closing of the Transaction without payment or liability to NAC or Brassneck, subject to their receiving customary releases acceptable to them. The following are biographies of the proposed directors and officers of the Resulting Issuer.

Chuck Rifici – Ottawa, Ontario – Chairman

Mr. Rifici is currently CEO of Nesta Holding Co., a private equity firm focused on cannabis opportunities and also sits on the boards of Aurora Cannabis, Supreme Pharmaceuticals and CannaRoyalty. Mr. Rifici is the co-founder and former CEO of Canopy Growth Corp. (formerly named Tweed Marijuana Inc.) and former Treasurer, National Board of Directors of The Liberal Party of Canada. Mr. Rifici is a chartered professional accountant. He obtained his MBA from Queen’s University and a BAsC in Computer Engineering from the University of Ottawa. Mr. Rifici has served as a director of NAC since his appointment on July 29, 2016.

Mark Goliger – Burlington, Ontario – Chief Executive Officer

Mr. Goliger has extensive management experience in both the franchise and health care industries in Canada, recently acting as Chief Operating Officer of Qualicare Family Homecare. Mark received his Bachelor’s Degree in Business, is a Six Sigma Black Belt and an MBA from the Schulich School of Business.

In 2001 Mark brought Crestcom, an international leadership development franchise to Ontario and in 2012 Mark successfully brokered the sale of this business. From 2012-2016 Mr. Goliger acted as Chief Operating Officer of Right at Home Canada, and helped Canadianize an international franchise system focused on the intricacies of the Canadian health care system, ultimately growing operations to twenty offices in three and a half years. From 2016 to present, Mark has acted as Chief Operating Officer of Qualicare, and has assisted this franchisor in creating the system necessary to achieve its vision of \$1billion in system wide revenue.

Marc Lustig – Vancouver, British Columbia – Director

Mr. Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry at Merck & Co. In 2000, he started his capital markets career in institutional equity research in the Life Sciences sector at Orion Securities. For the next 14 years, Mr. Lustig worked as a senior producer at GMP Securities L.P. and as Head of Capital Markets at Dundee Capital Markets before becoming Principal at KES 7 Capital. Mr. Lustig founded Cannabis Royalties & Holdings Corp. in early 2015. Mr. Lustig will be appointed as a director of the Resulting Issuer upon completion of the Proposed Transaction.

Michael Best – Ottawa, Ontario – Chief Financial Officer

Mr. Best is the Chief Financial Officer of National Access Cannabis Corp. Michael holds a CPA, CGA Designation and an Honours degree in Public Administration from Carleton University. With over 26 years of experience in accounting and financial management he has held progressively senior roles throughout his career. Previously, he was Vice President and Chief Financial Officer at Computer Media Products Ltd. for a period of 12 years, following 3 years as Controller. Prior to that time, he spent 11 years working with MetLife at their Canadian Head Office located in Ottawa, holding several positions of increasing responsibility within Accounting, Treasury, Cash Management and the Budget and Expense Divisions. After the sale of MetLife's Canadian business, Michael continued to work with MetLife's U.S. Operations participating in demutualization and IPO initiatives. Michael is a member of Financial Executives International and serves on the National Capital Region Chapter's Board of Directors.

Derek Ogden – Ottawa, Ontario – President & Chief Operating Officer

Mr. Ogden earned his executive credentials working with the best in the business. During a distinguished RCMP career he served as Officer in Charge of National Drug Enforcement and Director General of the Organized Crime Branch supervising operations from coast to coast. Derek worked extensively with numerous government departments including, Health Canada, Public Safety, Finance and Justice. When he retired from the force, Ogden became a sought after consultant, working at the National and international level with government and corporate clients. He also served as Director of the Anti-Illicit Trade Program and Director of Security for the largest tobacco company in Canada. Derek Ogden's background includes a Bachelor of Business Administration from the University of New Brunswick and the Executive Management Program at Queen's University. Derek Ogden also obtained his bilingual designation while working at the RCMP.

Rocco Meliambro – Ottawa, Ontario – Director

Mr. Meliambro spent 20 years in the investment industry as a Vice President, Director and manager for several firms including Moss Lawson and Research Capital. During that time he helped finance several startup firms including Avcorp Industries and Kinross Gold. Since 2000, he has been involved in real estate developments in Ottawa area including large developments such as Deer Run in Stittsville and the Albert St. Lebreton Flats project. Mr. Meliambro's financial training includes successful completion of course studies with Securities Institute at Wharton school of Business. Mr. Meliambro has served as a director of NAC since his appointment on February 11, 2016.

Dr. John Gillis – Halifax, Nova Scotia – Director

Dr. Gillis attended St. Francis Xavier University where he received his Bachelor of Science (First Class Honors) in 1995, before moving on to Western University where he received his Doctor of Medicine (1999) and completed residency in Family Medicine (2001). Dr. Gillis returned to Nova Scotia and Dalhousie University to complete the one year College of Family Physicians and added certification in Emergency Medicine (2002). He also completed certification with the College of Family Physicians of Canada for his CCFP and CCFP(EM) designations in 2001

and 2002 respectively. Dr. Gillis began working as an ER physician at the Dartmouth General Hospital in 2001 and remains on staff there to this day. Since 2007, Dr. Gillis has been the Medical Director of the Centre for Pain Management (Dartmouth, then Halifax), treating all types of chronic pain in a multi-disciplinary context. In 2013, Dr. Gillis founded 24Care Health and Occupational Services, a corporate and occupation health business. In late 2015, 24Care expanded into Signature Health, a larger and more comprehensive corporate and occupational health and wellness company, with Dr. Gillis serving as President and Medical Director. In 2013, Dr. Gillis joined Tweed Marijuana Inc. (“**Tweed**”) as their Chief Medical Advisor, where he was involved in writing patient screening protocols and documents outlining the science behind and efficacy of medical marihuana. In early 2014, Dr. Gillis co-founded licensed producer applicant The Truro Herbal Company (“**THC**”), and later that year left his role with Tweed. Since that time, Dr. Gillis has dedicated his efforts to the growth and development of THC as the company’s VP of Medical Development. Mr. Lustig will be appointed as a director of the Resulting Issuer upon completion of the Proposed Transaction.

Jeff Hunt – Ottawa, Ontario – Director

Mr. Hunt is one of Canada’s best known sports executives. He is the President and part owner of the CFL’s Ottawa REDBLACKS, Governor and part owner of the CHL’s Ottawa 67’s and a Partner in the Ottawa Sports and Entertainment group, which owns and operates Ottawa’s Lansdowne Park retail district and manages the TD Place stadium and arena complex. Mr. Hunt left his family home in Newfoundland for Ottawa in 1983 to start adding form to his entrepreneurial vision. In his first year in the new city, Jeff started a carpet cleaning firm and over the next 15-years, franchised it, expanded into the US and sold the thriving business to Sears in 1998. During his career, Jeff Hunt’s accomplishments have been recognized with multiple awards, including five Profit Magazine Fast-100 and two Fast-50 awards. He has also been named OHL and Canadian Hockey League Executive of the Year and in 2015 he was named to the Yahoo Canada Sports list of the top 25 “Movers and Shakers” who have the most influence over sport in Canada. Mr. Hunt will be appointed as a director of the Resulting Issuer upon completion of the Proposed Transaction.

Michael Saliken – Calgary, Alberta – Corporate Secretary

Mr. Saliken is a lawyer at the law firm Borden Ladner Gervais LLP, in Calgary, Alberta, where he specializes in corporate and securities law with a focus on both private and public offerings and mergers and acquisitions. Mr. Saliken received a Bachelor of Commerce degree from the Haskayne School of Business at the University of Calgary in 2005 and a Bachelor of Laws degree from the University of Alberta in 2008. He has served as a director of Brassneck since its incorporation.

Jean-Guy Bourguignon, Ottawa, Ontario, Vice President of National Operations

Jean-Guy attained a diploma in Law & Security from Algonquin College in 1988. With over 27 years of experience in both business and government, his government career expanded from Ontario Corrections, Ministry of Training, Colleges & Universities and completed with the Ministry of Labour. In his government career, he held positions of senior management, investigations, teaching, public speaking, which ran simultaneously to his business career in the service industry, property management, medical clinic, media and public speaking.

Jean-Guy was introduced to the clinical cannabinoid field in 2015, and took a leadership role in the Cannabinoid Therapy in February of 2016 with Marijuana For Trauma as the National Director of Operations. His capacity provided him with the anecdotal observations & evidence to understand medical cannabinoid treatment programs for those suffering from PTSD, Chronic Pain, dependencies to Opioids and Pharmaceuticals. Jean-Guy’s experience has him sought out by large organizations to speak as a subject matter expert.

Dr. François Hallé, BSc, MD/MSc, Cantley, Quebec, Vice President of Medical Science and Clinical Affairs

Dr. François Hallé brings with him more than 9 years of experience in medical and scientific advising. He graduated from a dual MD/Msc program from St-Georges University in 2008 after completing his bachelor's degree in Health Biology at the University of Quebec in 2003. Dr. Hallé formerly worked as National Senior Medical Advisor for Canada House Wellness Group, and VP of clinical affairs at Marijuana for Trauma. He is the Co-Founder of Clinical Cannabinoid Consulting Group and is currently the senior Medical and Scientific Advisor for Cannutra Naturals. Throughout his young career, François worked at Health Canada at the Marketed

Production Directorate where he ran the Crisis Management Unit. He also has been involved with several Senatorial Committees as an external advisor and was also advising on the Government Task Force on Cannabis Legalization. Dr. Hallé is currently known as a subject matter expert in Canada and has given over 400 conferences in his career on many subjects including preventative medicine and cannabinoid therapy and from 2008 to 2013. He taught Physipathology and Clinical Sciences to the Nursing School at the University of Quebec. Currently, Francois is involved in many discussions as part of subgroups of subject matter experts in North America, Europe and the Middle East and, because of his international involvement, Dr. Hallé is periodically solicited to give conferences to government agencies, groups of professionals and the general public across the Country. Dr. Hallé worked at Marijuana for Trauma as the Vice-President of Medical and Scientific Affairs from March 2016 to May 2017 and FECMO as President/Senior Advisor from November 2013 to March 2016. He was also a resident medical doctor at Centre Hospitalier Universitaire de Quebec from 2011 to 2013.

Promoter Consideration

There will not be and consideration paid to a promotor in connection with the Transaction.

Corporate Cease Trade Orders

None of the Corporation's directors, officers, or promoters, or a securityholder anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within ten (10) years prior to the date of this Filing Statement, been a director, officer, or promoter of any company, including the Corporation and any personal holding companies, that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company.

Bankruptcies

None of the directors, officers, or promoters of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or any personal holding companies of the foregoing, within 10 years prior to the date of this Circular has been a director, officer, or promoter of any company, as applicable, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that 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.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors, proposed directors and officers of the Corporation will be subject with respect to the operations of the Corporation. Certain of the directors, proposed directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the ABCA. The ABCA requires that directors and officers of the Corporation, who are also directors or officers of a party which enters into a material contract with the Corporation or otherwise have a material interest in a material contract entered into by the Corporation, must disclose their

interest and, in certain instances, refrain from voting on any resolution of the Corporation’s directors to approve the contract.

Personal Bankruptcies

None of the proposed directors, officers or promoters of the Resulting Issuer, or security holders anticipated to hold a sufficient number of the securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such Person, has, during the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed hold their assets.

Other Reporting Issuer Experience

The following directors and officers of the Resulting Issuer are, or within the past five years have been, directors, officers or promoters of the following reporting issuers (other than the Corporation).

Name of Director, Officer or Promoter	Name of Reporting Issuer	Markets	Position	Term
Chuck Rifici	Canopy Growth Corporation	TSX	Director, Senior Officer	March 26, 2014 – August 31, 2015
	Aurora Cannabis Inc.	TSX	Director	September 1, 2015 – May 8, 2017
	Cannabis Wheaton Income Corp.	TSXV		March 21, 2017 – Present
	Supreme Pharmaceuticals Inc.	TSXV	Director	December 16, 2016 – May 8, 2017
	Marchwell Ventures Ltd.	TSXV	Senior Officer	May 30, 2008 – February 12, 2010
Rocco Meliambro	Eco Oro Minerals Corp.	TSX	Director	April 22, 2002 – April 29, 2005
Marc Lustig	22 Capital Corp.	TSXV	Director	January 4, 2017 - Present
	CannaRoyalty Corp.	TSXV	Director, Senior Officer	December 5, 2016 – Present
Jeff Hunt	Fandom Sports Media Corp.	CSE, OTC, Frankfurt	Director	April 6, 2017 – Present

EXECUTIVE COMPENSATION

The following disclosure of executive compensation is made in accordance with the requirements of NI 51-102 and Exchange Form 3B2. For the purposes of Exchange Form 3B2, disclosure is required to be made for the Resulting Issuer’s Chief Executive Officer and four most highly compensated executive officers regardless of the amount of their compensation (collectively, the “**Named Executive Officers**”). Under these guidelines, disclosure for Mark Goliger, Michael Best, Derek Ogden, and François Halle is required.

The following table sets forth the expected annual and long-term compensation of the Named Executive Officers for services in all capacities to the Resulting Issuer for the twelve months following completion of the Transaction:

Name and principal position	Fiscal Year	Monthly Salary (\$)	Share-based awards (\$) ⁽²⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total annual compensation (\$)
Mark Goliger, CEO ⁽¹⁾	2017	16,667	\$ 125,000	36,071	-	-	\$39,000	\$ 400,071
Michael Best, CFO	2017	10,000	\$ 50,000	-	-	-	-	\$ 170,000
Derek Ogden, President	2017	12,500	\$ 50,000	-	-	-	-	\$ 200,000
Jean-Guy Bourguignon, VP National Operations ⁽³⁾	2017	8,333	-	\$ 69,404	-	-	-	\$ 169,404

François Halle, VP of Medical Science & Clinical Affairs ⁽³⁾	2017	8,333	-	\$ 69,404	-	-	-	\$ 169,404
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Notes:

- (1) Mr. Goliger received 750,000 NAC Options with a strike price of \$0.25 per NAC Share. The 750,000 options are performance based and will only be available upon achieving certain milestones. Management has determined that 375,000 will vest based on an assessment of the non-market performance criteria attributable to the options. The vested options were attributed a fair value of \$36,071. The fair value was estimated using the Black-Scholes option model applying a market price of \$0.25, a risk-free interest rate of 0.87%, an expected volatility of 70% and an expected dividend yield of 0%. These unexercised options shall be exchanged for Resulting Issuer Options pursuant to the Amalgamation Agreement.
- (2) The share-based awards for Mark Goliger, Michael Best and Derek Ogden relate to performance shares held in escrow for services provided. The shares will be released from escrow following the Qualifying Transaction and the achievement of performance milestones.
- (3) Jean-Guy Bourguignon and Francois Halle are equal parties to a Consulting Services Agreement with Clinical Cannabinoid Consulting Group Inc. dated May 30th 2017. They each have each been granted 600,000 options at an exercise price of \$0.25 and a 3-year term that were attributed a fair value of \$69,404. The fair value was estimated using the Black-Scholes option model applying a market price of \$0.25, a risk-free interest rate of 0.87%, an expected volatility of 70% and an expected dividend yield of 0%. The options will vest upon the Company becoming a publically listed company. Clinical Cannabinoid Consulting Group Inc. will also receive 400,000 common shares in total for the first 2,000 patients it is responsible for who register with the Company and purchase with an affiliated Licenced Producer. Clinical Cannabinoid Consulting Group Inc. will also receive an additional \$100,000 in total for the second 2,000 patients. These milestones will most likely not be achieved in 2017.

Indebtedness of Directors, Executive Officers and Other Management

No individual who: (a) is a director or officer of the Corporation or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of the Corporation was, a director or officer of the Corporation; or (c) is an Associate of any of the foregoing, is either: (i) indebted to the Corporation; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INVESTOR RELATIONS ARRANGEMENTS

The Corporation does not have any verbal or written arrangements for investor relations activities in place.

OPTIONS TO PURCHASE SECURITIES

Options to Purchase Securities

Stock Option Plan

The Board of the Resulting Issuer will adopt the Option Plan to be administered by the Resulting Issuer Board (the “**Resulting Issuer Plan**”). The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and consultants to the Resulting Issuer, non-transferable Resulting Issuer Options, provided that the number of Resulting Issuer Shares reserved for issuance will not exceed 10% of the issued and outstanding Resulting Issuer Shares. In connection with the foregoing, the number of Resulting Issuer Shares reserved for issuance to any one person in any twelve month period will not exceed 5% of the issued and outstanding Resulting Issuer Shares unless the Corporation has obtained disinterested shareholder approval in accordance with the policies of the TSXV in respect of such grant and meets applicable Exchange requirements. In addition: (a) the number of Resulting Issuer Shares reserved for issuance to any one consultant will not exceed 2% of the issued and outstanding Resulting Issuer Shares; and (b) the number of Resulting Issuer Shares reserved for issuance to persons providing investor relations activities will not exceed 2% of the issued and outstanding Resulting Issuer Shares.

Subject to any requirements of the Exchange, the Resulting Issuer Board shall be able fix the duration of the Resulting Issuer Option at the time of grant, provided that in no circumstances shall the duration of the Resulting Issuer Option be longer than ten years. Resulting Issuer Options must be exercised within a reasonable period following cessation of the optionee’s position with the Resulting Issuer, provided that if the cessation was by reason of death, the Resulting Issuer Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Resulting Issuer Option. Resulting Issuer Options may be exercised from the later of 12 months after completion of a Qualifying Transaction by the Corporation, if any, and 90 days following cessation of the optionee’s position with the Corporation, provided that if the cessation of office, directorship, or

consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.

The exercise price of the Resulting Issuer Options shall be determined by the Board at the time any Resulting Issuer Option is granted. In no event shall such exercise price be lower than the minimum exercise price permitted by the policies of the Exchange. Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Resulting Issuer Options shall vest and the method of vesting, or that no vesting restriction shall exist.

Upon completion of the Transaction, it is expected that the Resulting Issuer will have 8,269,004 options issued and outstanding to acquire Resulting Issuer Shares, and 8,269,004 Resulting Issuer Shares reserved for issuance under the Resulting Issuer Plan. The following table shows the expected allocation of Reporting Issuer Options:

Category of Optionee	Number of Options to Purchase Common Shares	Exercise Price(\$)	Market Value on Date of Grant	Market Value on July 17, 2017⁽¹⁾	Expiry Date
Officers of the Resulting Issuer					
<i>Mark Goliger</i>	750,000	\$0.25	N/A	\$187,500	December 31, 2022
<i>Michael Best</i>	600,000	\$0.15	N/A	\$150,000	March 29, 2020
<i>Michael Saliken</i>	66,892	\$0.15	\$0.10	\$16,723	March 17, 2026
<i>Jean-Guy Bourguignon⁽²⁾</i>	600,000	\$0.25	N/A	\$69,404	May 30, 2020
<i>Francois Halle⁽²⁾</i>	600,000	\$0.25	N/A	\$69,404	May 30, 2020
Directors of the Resulting Issuer who are not also officers of the Resulting Issuer					
<i>Chuck Rifici</i>	1,000,000	\$0.15	N/A	\$250,000	June 7, 2019
<i>Rocco Meliambro</i>	1,000,000	\$0.15	N/A	\$250,000	June 7, 2019
<i>Jeff Hunt</i>	1,000,000	\$0.15	N/A	\$250,000	September 20, 2021
All other employees of the Resulting Issuer	475,000	\$0.15	N/A	\$118,750	425,000 (November 22, 2018) 50,000 (June 7, 2019)
All consultants of the Resulting Issuer	1,550,000	\$0.15	N/A	\$687,500	1,300,000 (June 7, 2019) 250,000 (March 29, 2020)
Others					
<i>Connor Cruise</i>	418,075	\$0.10	\$0.10	\$104,519	March 17, 2026
<i>William C Guinan</i>	142,145	\$0.10	\$0.10	\$35,536	March 17, 2026
<i>Frederic Leigh Jr.</i>	66,892	\$0.10	\$0.10	\$16,723	March 17, 2026
TOTAL	8,269,004				

(1) Assuming a price of \$0.25 per Resulting Issuer Common Share based on the share price of concurrent private placement.

(2) Jean-Guy Bourguignon and Francois Halle are equal parties to a Consulting Services Agreement with Clinical Cannabinoid Consulting Group Inc. dated May 30th 2017. They each have each been granted 600,000 options at an exercise price of \$0.25 and a 3-year term that were attributed a fair value of \$69,404. The fair value was estimated using the Black-Scholes option model applying a market price of \$0.25, a risk-free interest rate of 0.87%, an expected volatility of 70% and an expected dividend yield of 0%. The options will vest upon the Company becoming a publically listed company.

ESCROWED SHARES

The following paragraphs set out the number of securities of the Resulting Issuer which are or will be, upon Completion of the Qualifying Transaction, held in escrow. In addition to the Brassneck Shares held in escrow prior to the completion of the Qualifying Transaction, certain of the Resulting Issuer Shares will be held in escrow or be subject to hold periods as set forth hereafter.

The following table sets forth the particulars of all of the Resulting Issuer Shares held by Principals of the Resulting Issuer that are expected to be subject to escrow upon completion of the Transaction:

Name and Municipality of Residence of Securityholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽¹⁾	
		Number of Brassneck Shares held in escrow	Percentage of class	Number of Resulting Issuer Shares to be held in escrow ⁽¹⁾	Percentage of class ⁽¹⁾
William C. Guinan (Calgary, AB)	Common Shares	400,000	5.76%	482,000 ⁽¹⁾	*
Connor Cruise (Vancouver, BC)	Common Shares	1,200,000	17.29%	1,446,000 ⁽¹⁾	1.03%
Michael Saliken (Calgary, AB)	Common Shares	200,000	2.88%	241,000 ⁽¹⁾	*
0930201 BC Ltd. ⁽²⁾ (Vancouver, BC)	Common Shares	150,000	1.44%	120,500 ⁽¹⁾	*
Murray Hinz (Calgary, AB)	Common Shares	100,000	1.44%	120,500 ⁽¹⁾	*
Frederic Leigh Jr. (Calgary, AB)	Common Shares	100,000	3.60%	301,250 ⁽¹⁾	*
		2,150,000	30.98%	2,590,750	2.23%

*Less than 1%

Notes:

- (1) After giving effect to the Share Split of the Brassneck Shares on the basis of 1.205 post-Share Split Brassneck Shares for each pre-Share Split Brassneck Share held by each of the Brassneck Shareholders.
- (2) 0930201 BC Ltd. is wholly-owned by Frederic Leigh Jr.

See “Part V – Information Concerning the Resulting Issuer – Directors, Officers and Management”.

Resulting Issuer Shares held in escrow pursuant to the Escrow Policy shall only be transferred or cancelled in accordance with the provisions of the Escrow Policy. The Resulting Issuer Shares to be held by Principals of Brassneck shall be released in accordance with the 36 month timeline set out by Escrow Policy and shown below.

To the knowledge of the Corporation and NAC as of the date of this Filing Statement, there are no NAC securities held in escrow under the Escrow Policy. The directors and officers of NAC own NAC Shares which will be exchanged for Resulting Issuer Shares at Closing. The number of Resulting Issuer Shares that are anticipated to be owned by directors and officers of the Resulting Issuer and to be held in escrow after giving effect to the Transaction, and the percentage that number represents of the outstanding securities of that class, are provided below. The information in the table below includes a total of 3,000,000 NAC Shares held under Performance Escrow which are owned by principals of NAC.

Name and Municipality of Residence of Securityholder	Designation of class ⁽¹⁾	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽²⁾	
		Number of NAC Shares held in escrow	Percentage of class	Number of Resulting Issuer Shares to be held in escrow ⁽²⁾	Percentage of class ⁽²⁾

Name and Municipality of Residence of Securityholder	Designation of class ⁽¹⁾	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽²⁾	
		Number of NAC Shares held in escrow	Percentage of class	Number of Resulting Issuer Shares to be held in escrow ⁽²⁾	Percentage of class ⁽²⁾
Mark Goliger, CEO (Burlington, Ontario)	Common Shares	Nil	n/a	1,500,000	1.29%
Michael Best, CFO (Ottawa, Ontario)	Common Shares	Nil	n/a	1,000,000	*
Derek Ogden ⁽⁴⁾ , President & COO (Ottawa, Ontario)	Common Shares	Nil	n/a	1,900,000	1.64%
Chuck Rifici, Director (Ottawa, Ontario)	Common Shares	Nil	n/a	9,240,000	7.97%
Marc Lustig, Director (Vancouver, British Columbia)	Common Shares	Nil	n/a	0	--
Dr. John Gillis, Director (Halifax, Nova Scotia)	Common Shares	Nil	n/a	100,000	*
Jeff Hunt, Director (Ottawa, Ontario)	Common Shares	Nil	n/a	4,700,000	3.71%
Rocco Meliambro, Director (Ottawa, Ontario)	Common Shares	Nil	n/a	9,676,860	8.34%
Clinical Cannabinoid Consulting Group Inc. (Ottawa, Ontario) ⁽³⁾	Common Shares	Nil	n/a	400,000	*
PBDC Opaskwayak, Manitoba	Common Shares	Nil	n/a	12,000,000	10.35
		Nil	n/a	40,357,860	30.8%

* Less than 1%

⁽¹⁾ TMX Trust is escrow agent for Brassneck Shares currently subject to escrow and it is anticipated that TMX Trust will be the escrow agent for Resulting Issuer Shares anticipated to be held in escrow on completion of the Transaction.

⁽²⁾ All information provided is after giving effect to the Private Placement. None of the Subscription Receipts nor NAC Shares issuable upon conversion of the Subscription Receipts, nor the Resulting Issuer Shares issuable in exchange for the NAC Shares acquired upon conversion of the Subscription Receipts are anticipated to be subject to escrow upon completion of the Transaction.

⁽³⁾ Clinical Cannabinoid Consulting Group Inc. is a corporation controlled by Messrs. Bourguignon and Halle, who are to be appointed as officers of the Resulting Issuer.

⁽⁴⁾ This includes 750,000 common shares that are held by Derek Ogden's wife, Janice Ogden.

Certain Resulting Issuer Shares issued to NAC Shareholders who will not be principals of the Resulting Issuer will also be subject to the Escrow Policy, and will be deposited and with the Escrow Agent under the Resulting Issuer Escrow Agreement as set out in the following table:

Upon Completion of the Qualifying Transaction, it is anticipated that there will be an aggregate of 55,053,420 shares held under escrow or the Seed Share Resale Matrix requirements. 2,590,750 Resulting Issuer Shares will be held in escrow under the CPC Escrow Agreements and 12,104,810 Resulting Issuer Shares that will be subject to resale restrictions in accordance with the resale matrix below. Resulting Issuer Shares subject to a CPC Escrow Agreement or Resulting Issuer Escrow Agreement shall only be transferred within escrow (or cancelled) in accordance with the provisions and conditions of the Escrow Policy. The Resulting Issuer Shares held under the Resulting Issuer Escrow Agreement will be subject to release in accordance with the following timeline provided by the Escrow Policy:

Release Dates	Percentage of Total Escrowed Securities to be Released	Cumulative Percentage of Total Escrowed Securities to be Released
Date of Final Exchange Bulletin	10%	10%

6 months following Final Exchange Bulletin	15%	25%
12 months following Final Exchange Bulletin	15%	40%
18 months following Final Exchange Bulletin	15%	55%
24 months following Final Exchange Bulletin	15%	70%
30 months following Final Exchange Bulletin	15%	85%
36 months following Final Exchange Bulletin	15%	100%

Performance Shares

In addition to the Escrowed Shares above, the Performance Shares will be subject to the Performance Escrow.

Resale Matrix

In addition to the Resulting Issuer Shares to be held in escrow pursuant to the Escrow Policy, upon completion of the Qualifying Transaction, further Resulting Issuer Shares will be subject to resale restrictions pursuant to the TSXV seed share resale matrix (“SSRM”) as follows

Number of Shareholders	Number of Shares	SSRM Resale Restrictions
17	3,930,010	Escrow – in accordance with Tier 2 Value Escrow Agreement, as set out in the table above
13	8,174,800	4 month hold with 20% released each month with first release upon completion of the Qualifying Transaction

Escrowed Stock Options

The following stock options held by Resulting Issuer Principals will be subject to resale restrictions pursuant to the TSXV seed share resale matrix (“SSRM”) as follows:

Category of Optionee	Number of Options to Purchase Common Shares	Exercise Price(\$)	Market Value on Date of Grant	Market Value on July 17, 2017 ⁽¹⁾	Expiry Date
Officers of the Resulting Issuer					
<i>Mark Goliger</i>	750,000	\$0.25	N/A	\$187,500	December 31, 2022
<i>Michael Best</i>	600,000	\$0.15	N/A	\$150,000	March 29, 2020
<i>Michael Saliken</i>	66,892	\$0.15	\$0.10	\$16,723	March 17, 2026
<i>Jean-Guy Bourguignon⁽²⁾</i>	600,000	\$0.25	N/A	\$69,404	May 30, 2020

Category of Optionee	Number of Options to Purchase Common Shares	Exercise Price(\$)	Market Value on Date of Grant	Market Value on July 17, 2017 ⁽¹⁾	Expiry Date
<i>Francois Halle</i> ⁽²⁾	600,000	\$0.25	N/A	\$69,404	May 30, 2020
Directors of the Resulting Issuer who are not also officers of the Resulting Issuer					
<i>Chuck Rifici</i>	1,000,000	\$0.15	N/A	\$250,000	June 7, 2019
<i>Rocco Meliambro</i>	1,000,000	\$0.15	N/A	\$250,000	June 7, 2019
<i>Jeff Hunt</i>	<u>1,000,000</u>	\$0.15	N/A	\$250,000	September 20, 2021
Total	5,616,892				

General Information Concerning Escrowed Securities

Holders of securities of the Resulting Issuer held in escrow may generally exercise voting rights attaching to such securities. However, no holder of securities held in escrow shall vote any securities (whether in escrow or not) in support of one or more arrangements that would result in the repayment of capital being made on the securities prior to a winding up of the Resulting Issuer. Generally, holders of securities in escrow do not See their right to receive a dividend or other distribution on the securities impaired.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

Brassneck's auditors, Kenway Mack Slusarchuk Stewart LLP, will remain as auditor of the Corporation until completion of the Transaction. After completion of the Transaction, NAC's auditors, MNP LLP will be appointed as the auditor of the Reporting Issuer.

Transfer Agent and Registrar

The transfer agent and registrar of the Resulting Issuer will not change as a resulting the Transaction. See "Information Concerning the Corporation – Auditor, Transfer Agent and Registrar."

PART VI. GENERAL MATTERS

SPONSORS

No sponsor has been retained in connection with the Qualifying Transaction of the Corporation as the Exchange has exempted the Corporation from the sponsorship requirement.

RELATIONSHIPS

The Corporation has not entered into an agreement with any registrant to provide sponsorship or corporate finance services, either now or in the future.

EXPERTS

Opinions

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Filing Statement:

1. Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, has provided auditor's reports on the audited financial statements of the Corporation included in this Filing Statement.
2. MNP LLP, Chartered Accountants, has provided auditor's reports on the audited financial statements of NAC included in this Filing Statement.

Interests of Experts

No professional person who has provided an opinion or report referenced in this Filing Statement, currently holds more than 1% of the issued and outstanding Common Shares upon completion of the Transaction, will not hold more than 1% of the issued and outstanding common shares of the Resulting Issuer, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of its Associates or Affiliates. MNP and KMSS are each independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

MATERIAL FACTS

There are no material facts about the Corporation or the Transaction that are not disclosed within this Filing Statement and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the Corporation assuming completion of the Transaction.

BOARD APPROVAL

The board of directors of the Corporation has approved the contents of this Filing Statement.

APPENDIX A
FINANCIAL STATEMENTS OF THE CORPORATION

Audited Financial Statements of

BRASSNECK CAPITAL CORP.

As at December 31, 2016 and for the year ended December 31, 2016

(Expressed in Canadian Dollars)

Management's Report

The information in this report, including the financial statements, are the responsibility of management. The financial statements have been prepared in accordance with International Financial Reporting Standards.

Brassneck Capital Corp. (the "Corporation") maintains appropriate systems of internal control to provide reasonable assurance that the financial records provide relevant, reliable and accurate information.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for internal control and financial reporting. The Directors exercise this responsibility through the Audit Committee. This committee, which is comprised of employee and non-employee Directors, meets with management to satisfy itself that management has properly performed its financial reporting responsibilities and to review the financial statements before they are presented to the Directors for approval. These financial statements have been approved by the Board of Directors as recommended by the Audit Committee.

Kenway Mack Slusarchuk Stewart LLP, an independent firm of Chartered Accountants, has been engaged to audit the financial statements in accordance with Canadian Generally Accepted Auditing Standards and provide their auditors' report thereon.

Signed "Connor Cruise"

Connor Cruise

Chief Executive Officer and Chief Financial Officer

Calgary, Canada

April 26, 2017



Independent Auditors' Report

To: The Shareholders of **Brassneck Capital Corp.**

We have audited the accompanying financial statements of Brassneck Capital Corp., which comprise the statements of financial position as at December 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2016 and the period from incorporation on June 18, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brassneck Capital Corp. as at December 31, 2016 and 2015, and its financial performance and cash flows for the year ended December 31, 2016 and the period from incorporation on June 18, 2015 to December 31, 2015, in accordance with International Financial Reporting Standards.

Kenway Mack Slusarchuk Stewart LLP

Chartered Professional Accountants,
Chartered Accountants

April 26, 2017
Calgary, Alberta

Brassneck Capital Corp.

Statement of Financial Position

As at December 31	2016	2015
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	440,882	274,634
Deferred financing costs	-	63,237
	<u>440,882</u>	<u>337,871</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>26,853</u>	<u>35,222</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	457,371	315,000
Contributed surplus	57,024	-
Deficit	<u>(100,366)</u>	<u>(12,351)</u>
	<u>414,029</u>	<u>302,649</u>
	<u>440,882</u>	<u>337,871</u>

Incorporation and nature of business (Note 1)

Approved on behalf of the Board:

signed "Connor Cruise"

Connor Cruise, Director

signed "Michael Saliken"

Michael Saliken, Director

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Statement of Loss and Comprehensive Loss

	Year ended	Period from
	December 31 2016	Incorporation on
	December 31, 2015	June 18, 2015 to
	\$	December 31, 2015
	\$	\$
Expenses		
Share based payments	42,694	-
Professional fees	38,943	7,000
Office and administration	5,888	101
Regulatory and filing fees	3,715	5,250
Total expenses	<u>91,240</u>	<u>12,351</u>
Interest income	<u>3,225</u>	<u>-</u>
Net and comprehensive loss	<u>(88,015)</u>	<u>(12,351)</u>
Basic and diluted net loss per common share (Note 7)	<u>(\$0.021)</u>	<u>(\$0.014)</u>

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Statement of Cash Flows

	Year ended December 31 2016	Period from Incorporation on June 18, 2015 to December 31, 2015
	\$	\$
Cash flows from the following activities:		
Operating activities		
Net loss and comprehensive loss	(88,015)	(12,351)
Item not affecting cash:		
Share based payments	42,694	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	19,852	7,000
	<u>(25,469)</u>	<u>(5,351)</u>
Financing activities		
Issuance of share capital	273,900	315,000
Share issuance costs	(53,961)	(63,237)
Change in non-cash working capital		
Accounts payable and accrued liabilities	(28,222)	28,222
	<u>191,717</u>	<u>279,985</u>
Change in cash and cash equivalents	166,248	274,634
Cash and cash equivalents, beginning of year	<u>274,634</u>	<u>-</u>
Cash and cash equivalents, end of year	440,882	274,634
Cash and cash equivalents are comprised of:		
Bank balance	2,720	274,634
Guaranteed investment certificate	438,162	-
	<u>440,882</u>	<u>274,634</u>

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.Statement of Changes in Shareholders' Equity

	<u>Share Capital</u>				<u>Total</u> \$
	<u>Common</u>	<u>Amount</u> \$	<u>Contributed</u>		
	<u>Shares</u>		<u>Surplus</u> \$	<u>Deficit</u> \$	
Common shares issued for cash September 4, 2015	2,100,000	105,000	-	-	105,000
Common shares issued for cash October 6, 2015	2,100,000	210,000	-	-	210,000
Net loss for the period	-	-	-	(12,351)	(12,351)
As at December 31, 2015	4,200,000	315,000	-	(12,351)	302,649
Common shares issued for cash March 10, 2016	2,739,000	273,900	-	-	273,900
Share issue costs	-	(131,529)	14,330	-	(117,199)
Share based payments	-	-	42,694	-	42,694
Net loss for the period	-	-	-	(88,015)	(88,015)
As at December 31, 2016	6,939,000	457,371	57,024	(100,366)	414,029

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

1. Incorporation and Nature of Business

Brassneck Capital Corp. (the “Corporation”) was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on June 18, 2015. The Corporation maintains its head office and registered office at 1900, 520 – 3rd Avenue SW, Calgary, Alberta, T2P 0R3. The Corporation is a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the “TSXV”).

As a CPC, the proceeds raised by the Corporation from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and \$210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Corporation. These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the TSXV.

The Corporation’s continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the TSXV. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The TSXV may suspend or delist the Corporation’s shares from trading should it not meet these requirements.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

The Corporation’s common shares commenced trading on the TSXV on March 15, 2016, under the trading symbol “BC.P”.

2. Basis of presentation

Statement of Compliance

These financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect on December 31, 2016.

These financial statements were authorized for issue by the Corporation’s Board of Directors on April 26, 2017.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

2. Basis of presentation (continued)

Estimates and Judgements

The preparation of the financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are continually evaluated and are based on historical experience and expectations of future events. While judgments and estimates used by the Corporation are believed to be reasonable under current circumstances, actual results could differ. These estimates are made in the year in which the estimates are revised and any future years that are impacted.

The following are the financial statement items which are most impacted by estimation uncertainty and critical judgments in applying the accounting policies:

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Basis of measurement

The financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Corporation's functional and reporting currency.

3. Significant accounting policies

Cash and cash equivalents

The Corporation considers all investments with maturities of three months or less to be cash equivalents.

Deferred financing costs

Costs incurred relating to the proposed issuance of shares are deferred. Deferred costs consist primarily of professional and agent fees. Costs will be charged to share capital upon the issuance of shares. In the event that the share issuance does not occur, costs will be charged to income in the period.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

3. Significant accounting policies (continued)

Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the statement of financial position are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Financial instruments

The Corporation's financial assets and liabilities are classified and measured as follows:

Cash and cash equivalents are recorded at fair value through profit and loss. Such assets are recognized initially at fair value. Subsequent to initial recognition, changes in fair value are recognized in profit or loss.

Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value and if there are subsequent material or significant changes in fair value, they are subsequently measured at amortized cost using the effective interest rate method.

Earnings per share

Basic loss per share is computed by dividing the net income or loss applicable to common shares by the weighted average number of common shares (other than contingently returnable shares) outstanding for the relevant period.

Diluted loss per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares (other than contingently returnable shares) issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share based payments

The Corporation has a stock option plan. The Corporation accounts for its stock option plan using the fair value method. Under this method, the Corporation estimates the fair value of stock options using the Black-Scholes option pricing model on the date of grant. Based on the value of the option granted, stock-based compensation expense and an offsetting increase to contributed surplus is recorded over the vesting period. When options are exercised, the amortized portion of the value of the option is transferred from the contributed surplus account to the share capital account.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

3. Significant accounting policies (continued)

Share capital

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

Application of new and revised International Financial Reporting Standards

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

IFRS 9 “Financial Instruments”

IFRS 9, Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, an entity can recognize the portion of the change in fair value related to the change in the entity’s own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently evaluating the impact of adopting this standard on its financial statements.

There are additional new standards that have not been discussed as they are not expected to impact the Corporation.

4. Capital management

The Corporation’s capital currently consists of common shares. The Corporation defines capital as total equity which was \$414,029 at December 31, 2016 (December 31, 2015 - \$302,649). Its principal source of cash is from the issuance of common shares. The Corporation’s capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation does not have any externally imposed capital requirements to which it is subject other than the restriction on the use of cash as referred to in Note 1.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

5. Financial instruments

Fair Value

The carrying amount of cash and cash equivalents, and accounts payable and accrued liabilities approximates their fair value due to their short term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2- Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3- Inputs for the asset or liability that are not based on observable market data.

The Corporation's cash and cash equivalents are the only financial assets or liabilities measured using fair value. Cash and cash equivalents are categorized as Level 1 since there are quoted prices in an active market for the instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation maintains cash and fixed rate guaranteed interest certificates ("GIC's") at its banking institution and therefore does not believe interest rate risk to be significant.

Liquidity Risk

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

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

6. Share capital

Authorized Share Capital

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series.

Issued and Outstanding Common Shares

	Number of Shares	Amount (\$)
Issuance of common shares for cash - September 4, 2015	2,100,000	105,000
Issuance of common shares for cash - October 6, 2015	2,100,000	210,000
Balance at December 31, 2015	4,200,000	315,000
Issuance of common shares for cash – March 10, 2016	2,739,000	273,900
Share issue costs		(131,529)
Balance at December 31, 2016	6,939,000	457,371

Share Issuance Detail

On September 4, 2015, the Corporation issued 2,100,000 shares at a price of \$0.05 per common share for total gross proceeds of \$105,000.

On October 6, 2015, the Corporation issued 2,100,000 shares at a price of \$0.10 per common share for total gross proceeds of \$210,000.

On March 10, 2016, the Corporation issued 2,739,000 shares at a price of \$0.10 per common share for total gross proceeds of \$273,900 related to the Corporation's initial public offering. Share issue costs of 10% of the gross proceeds were paid to the Agent. In addition, the Agent was granted options to acquire an aggregate of 273,900 common shares (the "Agent Options") at an exercise price of \$0.10 per share and expire on March 15, 2018, which is 24 months from the date the common shares were listed on the TSXV.

Escrowed shares

All common shares issued to non-arm's length parties of the Corporation either under the offering or otherwise prior to the Completion of the Qualifying Transaction, will be deposited with the Transfer Agent under the Escrow Agreement. There are 2,150,000 common shares held in escrow which includes all of the 2,100,000 common shares issued on September 4, 2015 offering and 50,000 of the common shares issued on October 6, 2015. The escrowed shares will be released from escrow under the following terms: 10% to be released from the date the Qualifying Transaction bulletin is issued, and 15% to be released every 6 months thereafter.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

6. Share capital (continued)

All common shares acquired on exercise of stock options prior to the completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow terms.

In addition, all common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a Control Person, as defined in the policies of the TSXV, are required to be deposited in escrow. Subject to certain exemptions permitted by the TSXV, all securities of the Corporation held by principals of the resulting issuer, will also be escrowed.

Stock Options

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSXV (the “Stock Option Plan”) which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years from the date of grant. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. If the Director or Officer does not continue with the Corporation after the Qualifying Transaction the options may be exercised from the later of 12 months after completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Corporation, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSXV.

On March 17, 2016 the Corporation granted 575,937 Incentive Options to directors and officers of the Corporation with an exercise price of \$0.10 per share and expire on March 17, 2026.

The following is a summary of stock options outstanding at December 31, 2016.

	Number of Options	Exercise Price	Expiry Date
Incentive Options granted	575,937	\$0.10	March 17, 2026
Agent Options granted	273,900	\$0.10	March 15, 2018
	<u>849,837</u>		
Exercisable options	<u>849,837</u>		

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

6. Share capital (continued)

As at December 31, 2016 the weighted average remaining contract life and exercise price of the outstanding options is 6.6 years and \$0.10 per share respectively.

The fair value of the options granted was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Incentive	Agent
Expected stock price volatility	100%	100%
Expected life of options	5 years	2 years
Risk free interest rate	0.74%	0.56%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%
Fair value per option granted	\$0.074	\$0.052

7. Earnings per share

The weighted average number of common shares outstanding during the year ended December 31, 2016 was 4,271,216 (December 31, 2015 - 899,940). The weighted average outstanding calculation excludes the 2,150,000 shares held in escrow.

8. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of executive and non-executive members of the Corporation's Board of Directors and corporate officers and/or companies controlled by those individuals.

Remuneration attributed to key management personnel was share based payments of \$42,694 (2015: \$Nil) during the year ended December 31, 2016.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

9. Income taxes

The presented recovery of income taxes differs from the amount of income tax expense calculated using the Canadian statutory tax rate, mainly due to the following:

	2016	2015
Loss before income taxes	\$ (88,015)	\$ (12,351)
Statutory income tax rate	27.00%	26.00%
Income tax recovery based on statutory income tax rates	(23,764)	(3,211)
Share based payments	11,527	
Tax benefits not recognized	12,237	3,211
Income tax expense	\$ -	\$ -

Significant components of the deferred tax assets of the Corporation are as follows:

Loss carry forwards	\$ 21,900	\$ 3,211
Share issue costs	25,315	-
Total deferred income tax not recognized	\$ 47,215	\$ 3,211

As at December 31, 2016, the Corporation has accumulated non-capital losses of \$81,112 for income tax purposes which can be carried forward and applied against future taxable income until the 2035 (\$12,351) and 2036 (\$68,761) taxation year.

Deferred tax assets have not been recognized in respect of the loss carryforwards as it is not probable that future taxable profits will be available against which the Corporation can utilize the benefits.

10. Subsequent Event

On March 29, 2017 the Corporation announced that it had entered into a letter of intent (“LOI”) with National Access Cannabis Corp. (“NAC”) in respect of a proposed transaction pursuant to which NAC is expected to acquire Brassneck by way of reverse takeover (the “Acquisition”). It is currently anticipated that the Acquisition will occur as a merger, amalgamation or share exchange, the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both Brassneck and NAC.

NAC is incorporated under the laws of the Province of British Columbia and has a head office in Vancouver, British Columbia. NAC, through its wholly-owned subsidiary National Access Canada Corp., a corporation incorporated under the laws of Canada, operates clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Ontario, which assist consumers in navigating through and accessing Canada’s legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations and selecting appropriate licensed products. NAC currently has ten corporate locations.

Brassneck Capital Corp.

Notes to the Audited Financial Statements

December 31, 2016

10. Subsequent Event (continued)

It is anticipated that NAC will complete a private placement financing of convertible notes (“Convertible Notes”) for aggregate gross proceeds of up to \$1,000,000 (the “Maximum Note Amount”) prior to April 28, 2017. The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semiannually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC (“NAC Shares”) at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the TSXV. The proceeds of the Convertible Notes will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer’s future growth plans.

NAC expects to complete the Concurrent Private Placement (as defined below) and raise aggregate gross proceeds of a minimum of \$4,500,000 (the “Maximum Placement Amount”) at a price of \$0.25 per Subscription Receipt, as described further below. NAC also expects to convert the Convertible Notes and issue NAC Shares in connection with the terms of the Convertible Notes.

Brassneck will issue 87,522,568 Brassneck Shares at a deemed price of \$0.25 per share on the basis of one Brassneck Share for each one NAC Share for deemed consideration of approximately \$21,880,642, which for greater certainty, does not include the NAC Shares to be issued under the Convertible Note conversion or the Concurrent Private Placement.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Convertible Note offering, completion of the Concurrent Private Placement, the satisfaction of the Corporation and NAC in respect of the due diligence investigations to be undertaken by each party, the completion of a Definitive Agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, TSXV acceptance of the Acquisition as the Qualifying Transaction of Brassneck and, if required by the TSXV policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all.

Unaudited Condensed Interim Financial Statements of

BRASSNECK CAPITAL CORP.

As at March 31, 2017 and for the three month period ended March 31, 2017

(Expressed in Canadian Dollars)

Brassneck Capital Corp.

Statement of Financial Position

As At	March 31, 2017	December 31, 2016
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	431,047	440,882
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	106,082	26,853
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	457,371	457,371
Contributed surplus	57,024	57,024
Deficit	<u>(189,430)</u>	<u>(100,366)</u>
	<u>324,965</u>	<u>414,029</u>
	431,047	440,882

Incorporation and nature of business (Note 1)

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Statement of Loss and Comprehensive Loss

Three Months Ended March 31	2017	2016
	\$	\$
Expenses		
Office and administration	388	244
Professional fees	83,363	1,925
Regulatory and filing fees	6,489	1,149
Share based payments	-	42,694
Total expenses	90,240	46,012
Interest income	1,176	-
Net and comprehensive loss	(89,064)	(46,012)
Basic and diluted net loss per common share (Note 6)	(\$0.019)	(\$0.017)

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Statement of Cash Flows

Three Months Ended March 31	2017	2016
	\$	\$
Cash flows from the following activities:		
Operating activities		
Net loss and comprehensive loss	(89,064)	(46,012)
Item not affecting cash:		
Share based payments	-	42,694
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	79,229	(26,297)
	<u>(9,835)</u>	<u>(29,615)</u>
Financing activities		
Issuance of share capital	-	273,900
Share issuance costs	-	(53,962)
Change in non-cash working capital		
Accounts payable and accrued liabilities	-	8,030
	<u>-</u>	<u>227,968</u>
Change in cash	(9,835)	198,353
Cash and cash equivalents, beginning of period	<u>440,882</u>	<u>274,634</u>
Cash and cash equivalents, end of period	<u>431,047</u>	<u>472,987</u>
Interest received during the period	<u>4,401</u>	<u>-</u>
Cash and cash equivalents are comprised of:		
Bank balance	431,047	22,987
Guaranteed investment certificate	-	450,000
	<u>431,047</u>	<u>472,987</u>

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Statement of Changes in Shareholders' Equity

	<u>Share Capital</u>				<u>Total</u>
	<u>Common</u>		<u>Contributed</u>		
	<u>Shares</u>	<u>Amount</u>	<u>Surplus</u>	<u>Deficit</u>	
		\$	\$	\$	\$
As at Dember 31, 2015	4,200,000	315,000	-	(12,351)	302,649
Common shares issued for cash March 10, 2016	2,739,000	273,900			273,900
Share issue costs		(131,529)	14,330		(117,199)
Share based payments			42,694		42,694
Net loss for the period				(46,012)	(46,012)
As at March 31, 2016	6,939,000	457,371	57,024	(58,363)	456,032
As at December 31, 2016	6,939,000	457,371	57,024	(100,366)	414,029
Net loss for the period				(89,064)	(89,064)
As at March 31, 2017	6,939,000	457,371	57,024	(189,430)	324,965

The accompanying notes are an integral part of these financial statements

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

1. Incorporation and Nature of Business

Brassneck Capital Corp. (the “Corporation”) was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on June 18, 2015. The Corporation maintains its head office and registered office at 1900, 520 – 3rd Avenue SW, Calgary, Alberta, T2P 0R3. The Corporation is a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the “TSXV”).

As a CPC, the proceeds raised by the Corporation from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and \$210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Corporation. These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Corporation’s continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Corporation’s shares from trading should it not meet these requirements.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

The Corporation’s common shares commenced trading on the Exchange on March 15, 2016, under the trading symbol “BC.P”.

2. Basis of presentation

Statement of Compliance

These condensed interim financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including IAS 34, Interim Financial Reporting, and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2016 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”). The significant accounting policies followed in these financial statements are consistent with those applied in the Corporation’s annual audited financial statements for the year ended December 31, 2016.

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

2. Basis of presentation (continued)

Estimates and Judgements

The preparation of the financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are continually evaluated and are based on historical experience and expectations of future events. While judgments and estimates used by the Corporation are believed to be reasonable under current circumstances, actual results could differ. These estimates are made in the year in which the estimates are revised and any future years that are impacted.

The following are the financial statement items which are most impacted by estimation uncertainty and critical judgments in applying the accounting policies:

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Basis of measurement

The financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Corporation's functional and reporting currency.

There have been no changes in the Corporation's assessment of risk from the use of financial instruments or in the financial risk management policies of the Corporation since December 31, 2016. These condensed interim financial statements are based on and are in compliance with IFRS effective for the three month period ending March 31, 2017 and were approved by the Corporation's Board of Directors on May 25, 2017.

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

3. Capital management

The Corporation's capital currently consists of common shares. The Corporation defines capital as total equity which was \$324,965 at March 31, 2017 (December 31, 2016 - \$414,029). Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation does not have any externally imposed capital requirements to which it is subject other than the restriction on the use of cash as referred to in Note 1.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

4. Financial instruments

Fair Value

The carrying amount of cash and cash equivalents, and accounts payable and accrued liabilities approximates their fair value due to their short term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2- Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3- Inputs for the asset or liability that are not based on observable market data.

The Corporation's cash and cash equivalents are the only financial assets or liabilities measured using fair value. Cash and cash equivalents are categorized as Level 1 since there are quoted prices in an active market for the instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

4. Financial instruments (continued)

Interest Rate Risk

The Corporation maintains cash and fixed rate guaranteed interest certificates (“GIC’s”) at its banking institution and therefore does not believe interest rate risk to be significant.

Liquidity Risk

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

5. Share capital

Authorized Share Capital

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series.

Issued and Outstanding Common Shares

	Number of Shares	Amount (\$)
Issuance of common shares for cash - September 4, 2015	2,100,000	105,000
Issuance of common shares for cash - October 6, 2015	2,100,000	210,000
Balance at December 31, 2015	4,200,000	315,000
Issuance of common shares for cash – March 10, 2016	2,739,000	273,900
Balance at December 31, 2016 and March 31, 2017	6,939,000	588,900

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

5. Share capital (continued)

Share Issuance Detail

On September 4, 2015, the Corporation issued 2,100,000 shares at a price of \$0.05 per common share for total gross proceeds of \$105,000.

On October 6, 2015, the Corporation issued 2,100,000 shares at a price of \$0.10 per common share for total gross proceeds of \$210,000.

On March 10, 2016, the Corporation issued 2,739,000 shares at a price of \$0.10 per common share for total gross proceeds of \$273,900 related to the Corporation's initial public offering. The Agent was granted options to acquire an aggregate of 273,900 common shares (the "Agent Options") at an exercise price of \$0.10 per share and expire on March 15, 2018, which is 24 months from the date the common shares were listed on the TSXV.

Escrowed shares

All common shares issued to non-arm's length parties of the Corporation either under the offering or otherwise prior to the Completion of the Qualifying Transaction, will be deposited with the Transfer Agent under the Escrow Agreement. There are 2,150,000 common shares held in escrow which includes all of the 2,100,000 common shares issued on September 4, 2015 offering and 50,000 of the common shares issued on October 6, 2015. The escrowed shares will be released from escrow under the following terms: 10% to be released from the date the Qualifying Transaction bulletin is issued, and 15% to be released every 6 months thereafter.

All common shares acquired on exercise of stock options prior to the completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow.

In addition, all common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by principals of the resulting issuer, will also be escrowed.

Stock Options

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSXV (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years from the date of grant. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. If the Director or Officer does not continue with the Corporation after the Qualifying Transaction the options may be exercised from the later of 12 months after completion of the Qualifying Transaction and 90 days following

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

5. Share capital (continued)

cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSXV.

During the three months ended March 31, 2016 the Corporation issued 575,937 Incentive Options to Directors and Officers of the Corporation with an exercise price of \$0.10 per share and expire on March 17, 2026.

The following is a summary of stock options outstanding at March 31, 2017.

	Number of Options	Exercise Price	Expiry Date
Incentive Options granted	575,937	\$0.10	March 17, 2026
Agent Options granted	273,900	\$0.10	March 15, 2018
	<u>849,837</u>		
Exercisable options	<u>849,837</u>		

As at March 31, 2017 the weighted average remaining contract life and exercise price of the outstanding options is 6.4 years and \$0.10 per share respectively.

The fair value of the options granted was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Incentive	Agent
Expected stock price volatility	100%	100%
Expected life of options	5 years	2 years
Risk free interest rate	0.74%	0.56%
Expected forfeitures	0%	0%
Expected dividend yield	0%	0%

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

6. Earnings per share

The weighted average number of common shares outstanding during the year ended March 31, 2017 was 4,789,000 (2016: 2,712,176). The weighted average outstanding calculation excludes the 2,150,000 shares held in escrow.

7. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of executive and non-executive members of the Corporation's Board of Directors and corporate officers and/or companies controlled by those individuals.

Remuneration attributed to key management personnel was share based payments of \$Nil (2016: \$42,694) during the three months ended March 31, 2017.

8. Qualifying Transaction

On March 29, 2017 the Corporation announced that it had entered into a letter of intent ("LOI") with National Access Cannabis Corp. ("NAC") in respect of a proposed transaction pursuant to which NAC is expected to acquire Brassneck by way of reverse takeover (the "Acquisition"). It is currently anticipated that the Acquisition will occur as a merger, amalgamation or share exchange, the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both Brassneck and NAC.

NAC is incorporated under the laws of the Province of British Columbia and has a head office in Vancouver, British Columbia. NAC, through its wholly-owned subsidiary National Access Canada Corp., a corporation incorporated under the laws of Canada, operates clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Ontario, which assist consumers in navigating through and accessing Canada's legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations and selecting appropriate licensed products. NAC currently has ten corporate locations.

It is anticipated that NAC will complete a private placement financing of convertible notes ("Convertible Notes") for aggregate gross proceeds of up to \$1,000,000 (the "Maximum Note Amount") prior to April 28, 2017. The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semiannually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC ("NAC Shares") at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the Exchange. The proceeds of the Convertible Notes will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer's future growth plans.

Brassneck Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2017

8. Qualifying Transaction (continued)

NAC expects to complete the Concurrent Private Placement (as defined below) and raise aggregate gross proceeds of a minimum of \$4,500,000 (the “Maximum Placement Amount”) at a price of \$0.25 per Subscription Receipt, as described further below. NAC also expects to convert the Convertible Notes and issue NAC Shares in connection with the terms of the Convertible Notes.

Brassneck will issue 87,522,568 Brassneck Shares at a deemed price of \$0.25 per share on the basis of one Brassneck Share for each one NAC Share for deemed consideration of approximately \$21,880,642, which for greater certainty, does not include the NAC Shares to be issued under the Convertible Note conversion or the Concurrent Private Placement.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Convertible Note offering, completion of the Concurrent Private Placement, the satisfaction of the Corporation and NAC in respect of the due diligence investigations to be undertaken by each party, the completion of a Definitive Agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance of the Acquisition as the Qualifying Transaction of Brassneck and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all.

APPENDIX B
MANAGEMENT'S DISCUSSION & ANALYSIS

BRASSNECK CAPITAL CORP.
(also referred to as “Brassneck” or the “Corporation”)

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017

The following discussion and analysis should be read in conjunction with the March 31, 2017 unaudited condensed interim financial statements and the December 31, 2016 audited financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and December 31, 2016 Management’s Discussion & Analysis. Additional information regarding the Corporation is available on SEDAR at www.sedar.com. The financial statements and financial data contained in this discussion and analysis is presented in accordance with IFRS.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

DATE

This MD&A is dated May 25, 2017 and is in respect of the three month period ended March 31, 2017. The discussion in this management’s discussion and analysis focuses on this period.

FORWARD LOOKING INFORMATION

The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Corporation’s results of operations and financial conditions. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements. The risks include those outlined under the “Risk Factors and Uncertainties” section of this MD&A and elsewhere in the Corporation’s public disclosure documents.

DESCRIPTION OF BRASSNECK’S BUSINESS AND OVERALL PERFORMANCE

Brassneck was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on June 18, 2015. The Corporation is a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the “Exchange”). The Corporation proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation’s shares from trading.

On March 10, 2016 the Corporation completed its initial public offering of 2,739,000 common shares in the capital of the Corporation at a price of \$0.10 per share for gross proceeds of \$273,900 (the “Offering”). After completion of the Offering, the Corporation has 6,939,000 common shares issued and outstanding. PI Financial Corp. (“PI Financial”) acted as the agent for the Offering and in connection therewith, the Corporation granted to PI Financial along with certain sub-agents, options to acquire an aggregate of 273,900 common shares (the “Agent’s Options”) at an exercise price of \$0.10 per share. The Agent’s Options expire on March 15, 2018, which is 24 months from the date the common shares are listed on the Exchange. PI Financial also received a cash commission equal to 10% of the gross proceeds of the Offering.

Concurrent with the closing of the Offering, the Corporation also granted options to acquire an aggregate of 575,937 common shares at an exercise price of \$0.10 per share to the directors and officers of the Corporation, which expire 10 years from the date of grant.

The Corporation's common shares commenced trading on the Exchange on March 15, 2016, under the trading symbol "BC.P".

On March 29, 2017 the Corporation announced that it had entered into a letter of intent ("LOI") with National Access Cannabis Corp. ("NAC") in respect of a proposed transaction pursuant to which NAC is expected to acquire Brassneck by way of reverse takeover (the "Acquisition"). It is currently anticipated that the Acquisition will occur as a merger, amalgamation or share exchange, the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both Brassneck and NAC.

NAC is incorporated under the laws of the Province of British Columbia and has a head office in Vancouver, British Columbia. NAC, through its wholly-owned subsidiary National Access Canada Corp., a corporation incorporated under the laws of Canada, operates clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Ontario, which assist consumers in navigating through and accessing Canada's legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations and selecting appropriate licensed products. NAC currently has ten corporate locations.

It is anticipated that NAC will complete a private placement financing of convertible notes ("Convertible Notes") for aggregate gross proceeds of up to \$1,000,000 (the "Maximum Note Amount") prior to April 28, 2017. The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semiannually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC ("NAC Shares") at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the Exchange. The proceeds of the Convertible Notes will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer's future growth plans.

NAC expects to complete the Concurrent Private Placement (as defined below) and raise aggregate gross proceeds of a minimum of \$4,500,000 (the "Maximum Placement Amount") at a price of \$0.25 per Subscription Receipt, as described further below. NAC also expects to convert the Convertible Notes and issue NAC Shares in connection with the terms of the Convertible Notes.

Brassneck will issue 87,522,568 Brassneck Shares at a deemed price of \$0.25 per share on the basis of one Brassneck Share for each one NAC Share for deemed consideration of approximately \$21,880,642, which for greater certainty, does not include the NAC Shares to be issued under the Convertible Note conversion or the Concurrent Private Placement.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Convertible Note offering, completion of the Concurrent Private Placement, the satisfaction of the Corporation and NAC in respect of the due diligence investigations to be undertaken by each party, the completion of a Definitive Agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance of the Acquisition as the Qualifying Transaction of Brassneck and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all.

SELECTED FINANCIAL INFORMATION

The Corporation was incorporated on June 18, 2015 and was not yet a "Reporting Issuer" pursuant to applicable securities legislation until December 21, 2015, the date of the final receipt for the Prospectus as issued by the Alberta, British Columbia and Ontario Securities Commissions, thereby becoming a "Reporting Issuer" in each of the provinces of Alberta, British Columbia and Ontario.

The following table is a summary of selected annual financial information (in Canadian dollars) derived from the Corporation's audited financial statements prepared in accordance with International Financial Reporting Standards:

	December 31, 2016	December 31, 2015 ⁽¹⁾
	\$	\$
Total Assets	440,882	337,871
Total Liabilities	26,853	35,222
Revenues	--	--
Net loss and comprehensive loss for the period	88,015	12,351
Basic and diluted net loss per share for the period	0.021	0.014
Weighted average number outstanding	4,271,216	899,490

(1) For the period from incorporation on June 18, 2015 to December 31, 2015

For the three months ended March 31, 2017 the Corporation reported no discontinued operations and declared no cash dividends.

The quarterly financial information follows:

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
	\$	\$	\$	\$	\$
Total Revenue	-	-	-	-	-
Net Loss	89,064	26,962	8,470	6,571	46,012
Loss Per Share – Basic and Diluted	0.019	0.006	0.002	0.001	0.017
Total Assets	431,047	440,882	444,537	455,747	472,987
Total Liabilities	106,082	26,853	3,546	6,286	16,955

Variances in net loss by quarter will reflect overall corporate activity and factors which do not recur each quarter, such as interest income on fluctuating cash balances, professional and regulatory fees related to evaluation of qualifying transactions.

RESULTS OF OPERATIONS

During the three month period ended March 31, 2017 the Corporation incurred a loss of \$89,064. The loss for the period primarily relates to professional fees for legal costs related to the qualifying transaction. The increase in regulatory expense relates to Exchange annual listing costs.

During the three month period March 31, 2016 the Corporation incurred a loss of \$46,062. The loss for the period primarily relates to the share based payment expense for stock options issued to Directors and officers and vested during the period. The professional fees related to accounting and general corporate legal fees.

The interest income for the three months ended March 31, 2017 relates to interest earned from a Guaranteed Interest Certificate.

OUTSTANDING SHARE DATA

Common Shares

As at March 31, 2017 and the date of this MD&A, the Corporation had 6,939,000 common shares issued and outstanding.

Pursuant to an escrow agreement dated as of December 18, 2015 among the Corporation, Equity Financial Trust Company and certain shareholders of the Corporation, 2,150,000 common shares, being issued and outstanding common shares prior to the completion of the Public Offering, have been deposited in escrow. Upon the Corporation completing a qualifying transaction, as defined in Policy 2.4 of the Exchange, common shares held pursuant to the escrow agreement shall be released as to 10% immediately following the issuance of the bulletin of the Exchange announcing final acceptance of the qualifying transaction (the "Initial Release") and an additional 15% shall be released every six months commencing six months following the Initial Release.

Options

As at March 31, 2017 and the date of this MD&A, the Corporation had 849,837 stock options outstanding with an exercise price of \$0.10 per share comprising of 575,937 options to directors and officers and 273,900 Agent Options.

LIQUIDITY AND CAPITAL RESOURCES

During the three month period ended March 31, 2016 the Corporation completed its initial public offering that resulted in gross proceeds of \$273,900 and the issuance of 2,739,000 common shares at \$0.10 per share.

As at March 31, 2017, the Corporation had net working capital of \$324,965 (December 31, 2016: \$414,029) comprised of cash and cash equivalents less accounts payable and accrued liabilities, which management considers to be sufficient for the Corporation to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Fair Value

The carrying amount of cash and cash equivalents, and accounts payable and accrued liabilities approximates their fair value due to their short term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2- Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3- Inputs for the asset or liability that are not based on observable market data.

The Corporation's cash and cash equivalents are the only financial assets or liabilities measured using fair value. Cash and cash equivalents are categorized as Level 1 since there are quoted prices in an active market for the instruments.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. The cash is currently being held in a solicitor's trust account and a high quality financial institution.

Liquidity risk

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

Interest rate risk

The Corporation maintains cash and fixed rate guaranteed interest certificates ("GIC's") at its banking institution and therefore does not believe interest rate risk to be significant.

CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

RISK FACTORS AND UNCERTAINTIES

Investing in the common shares of the Corporation involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investments.

No Operating History

The Corporation was incorporated on June 18, 2015, has not commenced commercial operations, and has no assets other than cash. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of the qualifying transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential qualifying transactions. The Corporation has only limited funds with which to identify and evaluate potential qualifying transactions and there can be no assurance that the Corporation will be able to identify a suitable qualifying transaction. Even if a proposed qualifying transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a qualifying transaction within the 24 months of the date of listing or if the Corporation fails to meet initial listing requirements of the Exchange upon Completion of the qualifying transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against Corporation. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Corporation held by Insiders. Trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential qualifying transaction, trading in the common shares of the Corporation will be halted and will remain halted until Completion of the qualifying transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential qualifying transaction.

Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed qualifying transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Exchange May Not Approve a Qualifying Transaction

Completion of a qualifying transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length qualifying transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4. Notwithstanding that a transaction may meet the definition of a qualifying transaction; the Exchange may not approve a qualifying transaction.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length qualifying transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the common shares.

Dilution

If the Corporation issues treasury shares to finance acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Corporation may be exposed to liability and its ability to achieve its business objectives may be impaired.

Additionally, directors and officers of the Corporation may also serve as directors and/or officers of other reporting issuers from time to time.

The Corporation has not purchased "key-man" insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a qualifying transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 (\$25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan or advance.

Volatile Financial Markets

The extreme volatility occurring in the financial markets is a significant risk for the Corporation. As a result of market turmoil, investors move away from assets they perceive as risky to those they perceive as less so. Issuers like the Corporation are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Corporation to access the capital markets in order

to raise the capital it will need to fund its current level of expenditures and identify, evaluate and close a qualifying transaction.

CAPITAL RISK MANAGEMENT

The Corporation's capital currently consists of common shares. The Corporation defines capital as total equity which was \$324,965 (December 31, 2016: \$414,029) at March 31, 2017. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a qualifying transaction.

OUTLOOK

The Corporation continues to work towards completing the proposed qualifying transaction with NAC as discussed in the Description of Brassneck's Business and Overall Performance section above.

OTHER INFORMATION

The policies of the Exchange prohibit CPC's from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the directors of the Corporation. Additional information about the Corporation is available on SEDAR at www.sedar.com.

APPENDIX C
CONSOLIDATED FINANCIAL STATEMENTS OF NAC

NATIONAL ACCESS CANADA CORPORATION

Financial Statements

For the Period Ended May 4, 2015

(Expressed in Canadian Dollars)

NATIONAL ACCESS CANADA CORPORATION

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Independent Auditors' Report

To the Shareholders of National Access Canada Corporation:

We have audited the accompanying financial statements of National Access Canada Corporation, which comprise the statement of financial position as at May 4, 2015 and August 31, 2014, and the statements of loss and other comprehensive loss, changes in equity and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Access Canada Corporation as at May 4, 2015, August 31, 2014 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Ottawa, Ontario

August 25, 2017



Chartered Professional Accountants

Licensed Public Accountants

NATIONAL ACCESS CANADA CORPORATION**Statements of Financial Position**

As at May 4, 2015

(Expressed in Canadian Dollars)

As at	Notes	May 4, 2015	August 31, 2014
Assets			
Current			
Cash		63,485	970
Trade and other receivables		77,314	-
Inventory	Note 4	4,886	-
Prepaid expenses		8,075	-
		153,760	970
Non-current			
Property and equipment	Note 5	273,777	23,649
Intangible assets	Note 6	97,405	-
		524,942	24,619
Liabilities			
Current			
Trade and other payables		153,642	27,350
Note payable	Note 7	735,200	-
		888,842	27,350
Non-current			
Advances from shareholder		-	264,523
		888,842	291,873
Shareholders' Equity (Deficiency)			
Share capital	Note 8	444,237	2,402
Accumulated deficit		(808,137)	(269,656)
		(363,900)	(267,254)
		524,942	24,619

Going concern (Note 1)

Subsequent events (Note 14)

These financial statements were authorized for issue by the Board of Directors on August 25, 2017.

They are signed on the Company's behalf by:

Director

Director

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

NATIONAL ACCESS CANADA CORPORATION**Statements of Loss and Comprehensive Loss**

For the period ended May 4, 2015

(Expressed in Canadian Dollars)

	Notes	For the period ended May 4, 2015	For the year end August 31, 2014
Revenues			
Merchandise sales		12,829	-
Cost of Goods Sold			
Freight		100	-
Consultation fees		8,100	-
		8,200	-
Gross Profit			
		4,629	-
Expenses			
General and administrative expenses (Schedule)		391,634	246,256
Advertising and marketing		215,416	15,684
Amortization of property and equipment		18,375	5,314
Amortization of intangible assets		2,595	-
		628,020	267,254
Loss from operations			
		(623,391)	(267,254)
Other expenses (income)			
Gain on forgiveness of debt		(84,910)	-
Net loss and comprehensive loss for the year/period			
		(538,481)	(267,254)
Weighted average number of shares outstanding			
		2,047,393	400,300
Net loss per share, basic and diluted			
		(0.26)	(0.67)

NATIONAL ACCESS CANADA CORPORATION**Statements of Changes in Shareholders' Equity****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

	Share Capital			
	Number of shares	Amount (\$)	Deficit	Total (\$)
Balance, August 31, 2013	400,300	2,402	(2,402)	-
Net loss and comprehensive loss for the period			(267,254)	(267,254)
Balance, August 31, 2014	400,300	2,402	(269,656)	(267,254)
Subscription receipts net of issuance costs (Note 8)	4,237,000	211,850		211,850
Conversion of shareholder debt (Note 8)	4,599,700	229,985		229,985
Net loss and comprehensive loss for the year			(538,481)	(538,481)
Balance, May 4, 2015	9,237,000	444,237	(808,137)	(363,900)

NATIONAL ACCESS CANADA CORPORATION**Statements of Cash Flows****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

	May 4, 2015	August 31 2014
Operating Activities		
Net loss and comprehensive loss	538,481	267,254
Adjustments not effecting cash		
Amortization of property and equipment	18,375	5,314
Amortization of intangible assets	2,595	-
Gain on forgiveness of debt	(84,910)	-
Equity settled share based payments	229,985	-
	704,526	272,568
Changes in non-cash working capital		
Trade and other receivables	(77,314)	-
Inventory	(4,886)	-
Prepaid expenses	(8,075)	-
Trade and other payables	126,292	26,448
Cash flows used in operating activities	740,543	299,016
Investing Activities		
Acquisition of intangible assets	(100,000)	-
Acquisition of property and equipment	(268,503)	(28,963)
Cash flows used in investing activities	(368,503)	(28,963)
Financing Activities		
Increase (decrease) in advances from shareholder, net of repayment	(179,613)	265,425
Subscription receipts net of issuance costs	211,850	-
Increase in note payable	735,200	-
Cash flows provided by financing activities	767,437	265,425
Net increase (decrease) in cash	1,139,477	535,478
Cash, beginning of year/period	535,478	-
Cash, end of year/period	1,674,955	535,478

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

1 - NATURE OF OPERATIONS AND GOING CONCERN

National Access Canada Corporation (formerly 8603456 Canada Inc.) (the "Company") is a private company incorporated on August 9, 2013 pursuant to the Canada Business Corporations Act. The Company intends to open medical marijuana clinics throughout Canada. The Company's corporate office is located at 1820 - 925 West George Street, Vancouver, BC V6C 3L2.

The audited financial statements were approved and authorized for issue by the Board of Directors on August 25, 2017.

Going Concern Assumption

These financial statements for the period ended May 4, 2015 have been prepared on the going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The continuing operations of the Company are dependent upon its ability to raise adequate financing. To date the Company has generated minimal revenues, has negative working capital and is considered to be in the development stage. These factors indicate a material uncertainty that may cast significant doubt about the Company being able to continue as a going concern.

The audited financial statements for the period ended May 4, 2015 do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used. Such adjustments, if required, could be material.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Statement of Compliance**

The Company's financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in effect at the period end date of May 4, 2015.

The accounting policies applied in the preparation of the financial statements for the period ended May 4, 2015 are set out below.

2.2 Basis of measurement

The audited financial statements, presented in Canadian Dollars, have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 2.8.

The accounting policies set out below have been applied consistently by the Company for the periods presented in the audited financial statements.

2.3 Cash

Cash includes cash on deposit at banking institutions.

2.4 Inventory

Inventory is valued at the lower of cost or net realisable value. Cost is calculated based on a first-in, first-out basis. Cost includes the acquisition cost at the date of purchase and costs directly attributable to bringing the asset to the location and condition necessary for distribution to customers. Net realisable value is the estimated selling price, in the ordinary course of business, less appropriate selling and distribution expenses.

When inventory is sold, the carrying amount of the inventory is recognised as an expense in cost of goods sold in the period in which the related revenue is recognised.

2.5 Property and equipment

Property and equipment are carried at historical cost less any accumulated amortization and impairment losses. Historical cost includes the acquisition cost or production cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is computed using the straight-line and declining balance methods based on the estimated useful life of the assets. Useful life is reviewed at the end of each reporting period.

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred. Amortization is provided at rates calculated to write off the cost of property and equipment less their estimated residual value on the straight-line method, over the estimated useful lives, as follows.

Furniture and equipment	5 years
Electronic equipment	3 years
Leasehold improvements	Over the term of the lease

2.6 Intangible assets

Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful life of 2 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.7 Financial instruments

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method. As at May 4, 2015, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as other financial liabilities, and are subsequently measured at amortized cost using the effective interest rate method.

The Company's financial assets include cash and trade and other receivables. The Company's financial liabilities include trade and other payables, note payable and due to directors. Classification of these financial instruments is as follows:

Cash	FVTPL
Trade and other receivables	Loans and receivables
Trade and other payables	Other financial liabilities
Note payable	Other financial liabilities
Advances from shareholder	Other financial liabilities

Financial assets are derecognized when the Company's rights to cash flows from the respective assets have expired or have been transferred and the Company has neither exposure to the risks inherent in those assets nor entitlement to rewards from them. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of other comprehensive income (loss).

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The Company's financial instruments measured at fair value on the statement of financial position, consist of cash, which is measured at level 1 of the fair value hierarchy.

Offsetting of financial assets and liabilities

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

2.8 Impairment

The Company assesses at each date of the statement of financial position whether a non-financial asset is impaired.

Property and equipment and intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or related cash generating unit ("CGU") may not be recoverable. If any such indication exists, then the assets or CGU's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually for each CGU and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds the estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU on a pro-rata basis.

Impairment losses may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized. A reversal of impairment loss is recognized in the statement of comprehensive income (loss).

An impairment loss in respect of a financial asset measured at amortized cost, such as trade and other receivables, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the corresponding asset.

2.9 Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available for sale investments and gains or losses on certain derivative instruments. To date, there have not been any charges to other comprehensive income (loss).

2.10 Revenue recognition

Revenue represents the fair value of the sale of goods to customers, net of discounts and sales tax in the ordinary course of the Company's activities. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer, it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably, which generally arises on delivery.

NATIONAL ACCESS CANADA CORPORATION

Notes to the Financial Statements

For the period ended May 4, 2015

(Expressed in Canadian Dollars)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Share based payments****Equity settled transactions**

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted, incorporating the Black-Scholes option pricing model.

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus.

2.12 Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options outstanding that may add to the total number of common shares.

2.13 Income taxes

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be recovered.

2.14 Related party transactions

Related parties are individuals or corporations who do not deal at arms length with the Company.

2.15 Equity*Share capital*

Share capital represents the amount received on the issuance of common shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. If shares are issued when options or warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus or warrants. In addition, if common shares are issued as consideration for the acquisition of non-monetary assets, they are measured at the fair value of the assets or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the assets or services received, the common shares are measured at the fair value of the shares issued. Given that there is no quoted price for the Company's shares, the fair value is estimated by using other observable inputs at that date.

2.16 Critical accounting estimates and judgements

The Company's financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the financial statements. Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Estimates***Useful lives of depreciable assets*

The useful lives of depreciable assets have been determined based on management estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain computer equipment.

Useful lives of intangible assets

The useful lives of intangible assets have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options granted and the time of exercise of those options. The model used by the Company is the Black-Scholes valuation model.

Judgements*Assessing the probability of utilizing deferred tax assets*

Deferred tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Information about assumptions and estimation based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies, is included in Note 9. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Impairment

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and interpretations in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.8)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year involves significant judgement based on historical events that are believed to be reasonable under the circumstances. See Note 1 for more information.

Valuation adjustments for inventory

The Company records a valuation adjustment for inventory by comparing inventory cost to its net realizable value. This process requires judgements related to future market demand, cost and pricing. These adjustments are reviewed on an ongoing basis and may have a significant impact on any valuation adjustment for inventories.

2.17 Segmented information

Throughout the period ended May 4, 2015, the Company operated in one segment, ownership and operation of clinics within Canada.

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements**

For the period ended May 4, 2015

(Expressed in Canadian Dollars)

3 - NEW STANDARDS AND INTERPRETATIONS TO BE ADOPTED IN FUTURE

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

IAS 1 '*Presentation of Financial Statements*' was amended by the IASB in December 2014. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 1 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the financial statements.

IAS 16 '*Property, Plant and Equipment*' and IAS 38 '*Intangible Assets*' were amended by the IASB in May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 16 and 38 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the financial statements.

IFRS 9 '*Financial Instruments: Classification and Measurement*' - as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing the impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the financial statements.

IFRS 15 '*Revenue from contracts with customers*' was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 15 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the financial statements.

IFRS 16 '*Leases*' replaces IAS 17 '*Leases*', and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retrospective application and with early adoption permitted. The Company continues to assess this new standard and the potential impact to the financial statements.

4 - INVENTORY

Inventory consists of various retail items. Most items are instruments used by patients to help prepare and administer prescribed medical cannabis.

	May 4, 2015	August 31, 2014
Retail items	4,886	-

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

5 - PROPERTY AND EQUIPMENT

	Furniture and Equipment	Electronic Equipment	Leasehold Improvements	Total
Cost:				
At September 1, 2013	-	-	-	-
Additions	-	28,963	-	28,963
Disposals	-	-	-	-
At August 31, 2014	-	28,963	-	28,963
Additions	19,937	51,832	196,734	268,503
Disposals	-	-	-	-
At May 4, 2015	19,937	80,795	196,734	297,466
Accumulated Amortization				
At September 1, 2013	-	-	-	-
Additions	-	5,314	-	5,314
Disposals	-	-	-	-
At August 31, 2014	-	5,314	-	5,314
Additions	1,789	780	15,806	18,375
Disposals	-	-	-	-
At May 4, 2015	1,789	6,094	15,806	23,689
Carrying amounts:				
At August 31, 2014	-	23,649	-	23,649
At May 4, 2015	18,148	74,701	180,928	273,777

6 - INTANGIBLE ASSETS

	Total Software Licenses
Cost:	
At September 1, 2014	-
Additions	100,000
Disposals	-
At May 4, 2015	100,000
Accumulated Amortization	
At September 1, 2014	-
Amortization	2,595
Disposals	-
At May 4, 2015	2,595
Carrying amounts:	
At May 4, 2015	97,405

7 - NOTE PAYABLE

During the period ended May 4, 2015, the Company borrowed \$735,200 from an National Access Cannabis Corporation, bearing no interest and no fixed terms of repayment.

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements**

For the period ended May 4, 2015

(Expressed in Canadian Dollars)

8 - EQUITY INSTRUMENTS**Share Capital**

Authorized:

The authorized capital stock of the Company consists of an unlimited number of common shares.

	Number of shares	Amounts
Balance, August 31, 2013	400,300	2,402
Balance, August 31, 2014	400,300	2,402
Subscription receipts net of issuance costs (i)	4,237,000	211,850
Conversion of shareholder debt (ii)	4,599,700	229,985
Balance, May 4, 2015	9,237,000	444,237

(i) Between March 25, 2015 and May 4, 2015, the Company closed several non-brokered private placements for aggregate gross proceeds of \$211,850. The Company issued 4,237,000 common shares at a price of \$0.05 per share.

(ii) On May 4, 2015, the Company entered into a Debt Conversion Agreement with its major shareholder. The Company agreed to convert \$229,985 of debt outstanding to the shareholder in exchange for 4,599,700 common shares at \$0.05 per share.

9 - LEASE AND OTHER COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Company has entered into various lease agreements having terms of 60 months. These lease agreements expire between November 20, 2019 and April 30, 2020.

As at May 4, 2014, the minimum annual lease payments are expected to be as follows:

2015	25,000
2016	102,000
2017	79,000
2018	81,000
2019	81,000
2020	39,000
	<u>407,000</u>

10 - RELATED PARTY TRANSACTIONS

During the period ended May 4, 2015, rent in the amount of \$30,775 was paid to a shareholder of the Company, and rent in the amount \$230 was paid to the immediate family of the same shareholder.

11 - INCOME TAXES

As at May 4, 2015, the Company has not recognized a deferred tax asset in respect of its deductible temporary differences and past losses incurred as it has not been demonstrated that the Company will be able to generate sufficient future profits to utilize this tax asset over a reasonable period of time. The expiry of the Company's non-capital losses are as follows:

2033	2,000
2034	269,000
	<u>271,000</u>

NATIONAL ACCESS CANADA CORPORATION**Notes to the Financial Statements****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

12 - FINANCIAL INSTRUMENTS

The table below summarizes the carrying values of the Company's financial assets and financial liabilities:

	As at May 4, 2015	As at August 31, 2014
Financial assets:		
FVTPL		
Cash	63,485	970
Loans and receivables		
Trade and other receivables	77,314	-
Total financial assets	140,799	970
Financial liabilities:		
Financial liabilities at amortized cost		
Trade and other payables	153,642	27,350
Note payable	735,200	-
Advances from shareholder	-	264,523
Total financial liabilities	888,842	291,873

The carrying values of cash, trade and other receivables, trade and other payables, note payable and advances from shareholder approximate their fair values due to their relatively short periods to maturity.

Financial Risk Management Objectives and Policies

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risk, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

Credit Risk

Credit risk arises from cash held with banks and trade and other receivables. The Company does not have a significant concentration of risk with any customer and its maximum risk exposure is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent loss on financial assets. The Company minimizes credit risk as cash is held by reputable financial institutions. The Company is not aware of any collection issues and no receivables are past due or impaired.

NATIONAL ACCESS CANADA CORPORATION

Notes to the Financial Statements

For the period ended May 4, 2015

(Expressed in Canadian Dollars)

13 - CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Maintain a capital structure that allows it to finance its growth strategy with cash flows from its operations, the cash exercise of existing warrants and its debt capacity;
- Preserve its ability to meet its financial obligations by funding the capital needs via various private and institutional sources; and
- Optimize the use of its capital to provide an appropriate return on investment to its shareholders.

The Company defines its capital as shareholders' deficiency and amounts due to shareholders.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the capital management strategy during the period ended May 4, 2015.

14 - SUBSEQUENT EVENTS

On May 4, 2015, the Company entered into a Share Exchange Agreement with National Access Cannabis Corp. (the "Purchaser") for the exchange by the Company's shareholders of 100% of the issued and outstanding shares of the Company for shares of the Purchaser on a 1:1 basis. Subsequently, the Company became the wholly-owned subsidiary of the Purchaser.

NATIONAL ACCESS CANADA CORPORATION**Schedule****For the period ended May 4, 2015****(Expressed in Canadian Dollars)**

	For the period end May 4, 2015	For the year end August 31, 2014
General and administrative expenses		
Consulting	131,608	91,304
Professional fees	74,464	128,850
Salaries and benefits	54,369	-
Travel and entertainment	32,444	17,409
Rental	31,006	-
Management fees	25,638	-
Office expenses	15,654	6,550
Computer expenses	13,190	-
Business taxes and licenses	2,930	-
Repairs and maintenance	2,809	-
Laundry and cleaning	2,706	-
Uniforms	1,703	-
Telecommunications	1,660	2,113
Interest and bank charges	757	30
Utilities	696	-
	391,634	246,256

NATIONAL ACCESS CANNABIS CORPORATION

**Condensed Interim Consolidated Financial Statements
For the Three and Nine Month Periods Ended May 31, 2017
(Expressed in Canadian Dollars)**

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

NATIONAL ACCESS CANNABIS CORPORATION

Condensed Interim Consolidated Financial Statements

For the Three and Nine Month Periods Ended May 31, 2017

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To the Audit Committee of National Access Cannabis Corporation:

In accordance with our engagement letter dated August 2nd, 2017 we have performed an interim review of the condensed interim consolidated statement of financial position of National Access Cannabis Corporation as at May 31, 2017, the condensed interim consolidated statement of loss and comprehensive loss for the three and nine month periods ended May 31, 2017 and May 31, 2016, and the condensed interim consolidated statement of changes in shareholders' equity and cash flows for the nine month period then ended. These consolidated financial statements are the responsibility of National Access Cannabis Corporation management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Accounting Standard No. 34, Interim Financial Reporting.

This report is solely for the use of the Audit Committee of National Access Cannabis Corporation to assist it in discharging its regulatory obligation to review these consolidated financial statements, and should not be used for any other purpose.

Comparative Information

We have previously audited, in accordance with Canadian generally accepted auditing standards, the financial statements of National Access Corporation, which comprise the consolidated statement of financial position as at August 31, 2016, the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (not presented herein). In our auditors' report dated June 14, 2017, we expressed an unmodified audit opinion on those financial statements. In our opinion, the information set forth in the accompanying statement of financial position as at August 31, 2016, is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Ottawa, Ontario
August 25, 2017



Chartered Professional Accountants
Licensed Public Accountants

NATIONAL ACCESS CANNABIS CORPORATION
Condensed Interim Consolidated Interim Statements of Financial Position

As at May 31, 2017

(Unaudited)

(Expressed in Canadian Dollars)

As at	Notes	May 31, 2017	August 31, 2016
Assets			
Current			
Cash		291,846	58,745
Trade and other receivables		448,311	178,178
Inventory	Note 5	39,050	10,027
Prepaid expenses		43,362	32,258
		822,569	279,208
Non-current			
Property and equipment	Note 6	892,574	558,151
Intangible assets	Note 7	-	23,359
Goodwill	Note 4	1,516,271	814,477
		3,231,414	1,675,195
Liabilities			
Current			
Trade and other payables		892,151	206,743
Convertible debentures	Note 8	923,714	-
Note payable	Note 9	382,500	-
Due to directors	Note 15	250,000	383,279
Deferred revenues		71,317	45,813
		2,519,682	635,835
Non-current			
Lease inducements		12,654	15,925
		2,532,336	651,760
Shareholders' Equity			
Share capital	Note 10	5,284,606	1,534,109
Warrants	Note 10	-	1,295,526
Equity portion of convertible debentures		46,186	-
Contributed surplus		240,404	32,374
Accumulated deficit		(4,872,118)	(1,838,574)
		699,078	1,023,435
		3,231,414	1,675,195

Going concern (Note 1)

Subsequent events (Note 19)

These financial statements were authorized for issue by the Board of Directors on August 25, 2017.

They are signed on the Company's behalf by:

Director

Director

NATIONAL ACCESS CANNABIS CORPORATION**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine month periods ended May 31, 2017 and May 31, 2016****(Unaudited)****(Expressed in Canadian Dollars)**

	Notes	Three months ended May 31		Nine months ended May 31	
		2017	2016	2017	2016
		\$	\$	\$	\$
Revenues					
Consultations		68,780	34,452	205,156	65,142
Membership fees		44,809	16,385	94,292	32,894
Administration fees		13,790	-	13,790	-
Commissions		197,676	35,006	393,426	51,881
Merchandise sales		38,526	14,003	84,679	35,552
		363,581	99,846	791,343	185,469
Cost of Goods Sold					
Merchandise		30,008	8,829	61,876	22,276
Freight (recovery)		41	-	(181)	30
Consultation fees		115,767	22,090	252,777	72,587
		145,816	30,919	314,472	94,893
Gross Profit		217,765	68,927	476,871	90,576
Expenses					
Advertising and marketing		106,795	25,830	188,851	52,799
Amortization of property and equipment		94,335	14,952	242,832	44,217
Amortization of intangible assets		-	13,970	23,359	41,909
General and administrative expenses (Schedule)		1,632,519	354,025	3,055,373	761,845
		1,833,649	408,777	3,510,415	900,770
Net loss and comprehensive loss for the period		(1,615,884)	(339,850)	(3,033,544)	(810,194)
Weighted-average number of shares		58,957,101	35,897,010	52,839,097	35,330,952
Net loss per share (Note 12)					
Basic and diluted		(0.03)	(0.01)	(0.06)	(0.02)

NATIONAL ACCESS CANNABIS CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine month periods ended May 31, 2017 and May 31, 2016

(Unaudited)

(Expressed in Canadian Dollars)

	Share Capital		Convertible Debentures	Warrants	Contributed Surplus	Deficit	Total (\$)
	Number of shares	Amount (\$)	Amount (\$)	Amount (\$)	Amount (\$)		
Balance, September 1, 2015	34,997,010	1,124,109	-	1,270,726	-	(495,933)	1,898,902
Redemption of warrants (Note 10)	-	-	-	(25,200)	-	-	(25,200)
Share based compensation (Note 10)	1,500,000	75,000	-	-	-	-	75,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(810,194)	(810,194)
Balance, May 31, 2016	36,497,010	1,199,109	-	1,245,526	-	(1,306,127)	1,138,508
Balance, September 1, 2016	41,697,010	1,534,109	-	1,295,526	32,374	(1,838,574)	1,023,435
Conversion of Director loans (Note 10)	8,000,000	400,000	-	-	-	-	400,000
Conversion of payable due to Director (Note 10)	221,860	33,279	-	-	-	-	33,279
Subscription receipts net of issuance costs (Note 10)	1,794,000	431,445	-	-	-	-	431,445
Convertible debentures	-	-	46,186	-	-	-	46,186
Subscription receipts for warrants net of issuance costs (Note 10)	-	-	-	475,000	-	-	475,000
Purchase of property and equipment (Note 10)	2,000,000	200,000	-	-	-	-	200,000
Acquisition of companies (Note 10)	1,300,000	325,000	-	-	-	-	325,000
Share based compensation (Note 10)	2,660,000	590,242	-	-	208,030	-	798,272
Conversion of options (Note 10)	500,000	5	-	-	-	-	5
Conversion of warrants (Note 10)	11,754,698	1,770,526	-	(1,770,526)	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	(3,033,544)	(3,033,544)
Balance, May 31, 2017	69,927,568	5,284,606	46,186	-	240,404	(4,872,118)	699,078

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

NATIONAL ACCESS CANNABIS CORPORATION**Condensed Interim Consolidated Statements of Cash Flows
For the nine month periods ended May 31, 2017 and May 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)**

	May 31, 2017	May 31, 2016
Operating Activities		
Net loss and comprehensive loss	(3,033,544)	(810,194)
Adjustments not effecting cash		
Amortization of property and equipment	242,832	44,217
Amortization of intangible assets	23,359	41,909
Amortization of lease inducements	(3,271)	(1,885)
Share-based compensation	208,030	75,000
Equity-settled share based payments	1,223,526	-
	(1,339,068)	(650,953)
Changes in non-cash working capital		
Trade and other receivables	(220,666)	52,969
Inventory	(29,023)	(9,421)
Prepaid expenses	(11,104)	(2,239)
Trade and other payables	535,941	11,153
Deferred revenues	16,089	25,872
Cash flows used in operating activities	(1,047,831)	(572,619)
Investing Activities		
Lease inducements	-	7,442
Acquisition of property and equipment	(577,255)	(24,524)
Acquisition of CannApply (net of cash acquired)	(267,379)	-
Cash flows used in investing activities	(844,634)	(17,082)
Financing Activities		
Issuance of share capital, net of share issue costs	431,445	-
Issuance of warrants, net of issuance costs	475,000	-
Issuance of convertible debentures, net of issuance costs	969,900	-
Repurchase of warrants	-	(25,200)
Note receivable	-	298,000
Note payable	382,500	-
Repayment of due to directors	(133,279)	-
Cash flows provided by financing activities	2,125,566	272,800
Net increase (decrease) in cash	233,101	(316,901)
Cash, beginning of period	58,745	437,726
Cash, end of period	291,846	120,825
Property, plant and equipment additions financed by share capital	200,000	Nil

1 - NATURE OF OPERATIONS AND GOING CONCERN

National Access Cannabis Corporation (the "Company") was incorporated on November 12, 2014 under the Business Corporations Act of British Columbia. National Access Canada Corporation ("Canada Corp"), a wholly-owned subsidiary of the Company, is in the business of providing cannabinoid education and introducing patients to medical cannabis treatments via our national network of physicians and health professionals. The Company is headquartered at 1111 Wellington Street West, Ottawa, Ontario, Canada, K1Y 2Y6.

On May 4, 2015, the Company entered into a share exchange agreement with Canada Corp pursuant to which the Company has acquired all of the issued and outstanding shares of Canada Corp in exchange for an equal number of common shares in the capital of the Company (the "Acquisition"). Upon completion of the Acquisition, Canada Corp became a wholly-owned subsidiary of the Company.

On December 21, 2016 the Company entered into a Share Purchase Agreement with Wilson Master Apps Inc. (doing business as CannApply Medical Services) ("CanApply") an Alberta Company with an office at 201, 5401 Temple Dr. NE, Calgary, AB. CannApply is a private company engaged in the business of operating clinics offering services to medical cannabis patients. CannApply currently operates out of four locations within the city of Calgary, AB. The Company acquired 100% of the issued securities of CannApply for a total consideration of \$600,000 payable in 1,300,000 common shares of the Company with a deemed value of \$0.25 per share and \$275,000 in cash with \$100,000 paid at closing. An additional amount of \$175,000 is due conditionally in the event the Company is acquired by a public company (an "RTO") on or before January 1, 2018. If the Company does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of CannApply.

The reviewed condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 25, 2017.

Going Concern Assumption

These condensed interim consolidated financial statements for the period ended May 31, 2017 have been prepared on the going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company is in the development stage of expanding by opening and acquiring clinics throughout Canada. While these financial statements have been prepared on a going concern basis, the Company continues to remain dependent on its ability to obtain sufficient funding to sustain operations and continue with its current expansion projects. While the Company has been successful in raising financing in the past, there can be no assurance that it will be able to do so in the future. Several alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These factors indicate a material uncertainty that may cast significant doubt about the Company being able to continue as a going concern. The Company has incurred losses since incorporation and as at May 31, 2017 has an accumulated deficit of \$4,872,118 and negative working capital of \$1,697,113.

The reviewed condensed interim consolidated financial statements for the year ended May 31, 2017 do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used. Such adjustments, if required, could be material.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The unaudited condensed interim consolidated financial statements present the Company's condensed interim consolidated balance sheets as at May 31, 2017 and August 31, 2016; its condensed interim consolidated earnings for the three and nine months ended May 31, 2017 and May 31, 2016; and changes in shareholders' equity and cash flows for the nine months ended May 31, 2017 and May 31, 2016. These consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the Company for the year ended August 31, 2016.

Further, the consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to use in its annual consolidated financial statements for the year ending August 31, 2017. These policies, set out below, have been consistently applied to all periods presented unless otherwise noted below.

2.2 Basis of measurement

The reviewed condensed interim consolidated financial statements, presented in Canadian Dollars, have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 2.9.

The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiary for the periods presented in the reviewed condensed interim consolidated financial statements.

2.3 Basis of consolidation

The condensed interim consolidated financial statements include the accounts of National Access Cannabis Corporation, and the wholly-owned subsidiaries, National Access Canada Corporation and Wilson Master Apps Inc.

The subsidiaries are controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date that control commences until the day control ceases.

The functional currency of the parent, Canada Corp and CanApply is the Canadian dollar, which is the presentation currency of the condensed interim consolidated financial

Intercompany balance and transaction, and unrealized gains arising from intercompany transactions are eliminated in preparing the condensed interim consolidated financial statements.

2.4 Cash

Cash includes cash on deposit at banking institutions.

2.5 Inventory

Inventory is valued at the lower of cost or net realisable value. Cost is calculated based on a first-in, first-out basis. Cost includes the acquisition cost at the date of purchase and costs directly attributable to bringing the asset to the location and condition necessary for distribution to customers. Net realisable value is the estimated selling price, in the ordinary course of business, less appropriate selling and distribution expenses.

When inventory is sold, the carrying amount of the inventory is recognised as an expense in cost of goods sold in the period in which the related revenue is recognised.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property and equipment

Property and equipment are carried at historical cost less any accumulated amortization and impairment losses. Historical cost includes the acquisition cost or production cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is computed using the straight-line and declining balance methods based on the estimated useful life of the assets. Useful life is reviewed at the end of each reporting period.

The Company recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred. Amortization is provided at rates calculated to write off the cost of property, plant and equipment less their estimated residual value on the straight-line method, over the estimated useful lives, as follows.

Furniture and equipment	5 years
Electronic equipment	3 years
Information panels	3 years
Signs	5 years
Leasehold improvements	Over the term of the lease

2.7 Intangible assets

Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful life of 2 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.8 Goodwill

Goodwill arising in a business combination is recognized as an asset at the date of control (acquisition date). Goodwill is measured as the excess of the cost of the acquisition over the Company's interests in the net fair value of the identifiable net assets, liabilities and contingent liabilities of the acquiree recognized at the date of acquisition.

For the purposes of assessing impairment, goodwill is allocated to cash-generating unit or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents, subject to an operating segment ceiling test, the lowest level within the Company that goodwill is monitored for internal reporting purposes. The impairment of non-financial assets note describes how goodwill is tested for impairment.

2.9 Financial instruments

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method. As at May 31, 2017, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as other financial liabilities, and are subsequently measured at amortized cost using the effective interest rate method.

The Company's financial assets include cash and trade and other receivables. The Company's financial liabilities include trade and other payables, convertible debentures, note payable and due to directors. Classification of these financial instruments is as follows:

Cash	FVTPL
Trade and other receivables	Loans and receivables
Trade and other payables	Other financial liabilities
Note payable	Other financial liabilities
Convertible debentures	Other financial liabilities
Due to directors	Other financial liabilities

Financial assets are derecognized when the Company's rights to cash flows from the respective assets have expired or have been transferred and the Company has neither exposure to the risks inherent in those assets nor entitlement to rewards from them. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of other comprehensive income (loss).

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The Company's financial instruments measured at fair value on the consolidated statement of financial position, consist of cash, which is measured at level 1 of the fair value hierarchy.

Offsetting of financial assets and liabilities

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

2.10 Impairment

The Company assesses at each date of the statement of financial position whether a non-financial asset is impaired.

Property and equipment, intangibles and goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or related cash generating unit ("CGU") may not be recoverable. If any such indication exists, then the assets or CGU's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually for each CGU and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds the estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU on a pro-rata basis.

Impairment losses may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized. A reversal of impairment loss is recognized in the statement of comprehensive income (loss).

An impairment loss in respect of a financial asset measured at amortized cost, such as trade and other receivables, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the corresponding asset.

2.11 Business combinations

Business combinations are accounted for using the acquisition method under IFRS 3, Business Combinations (IFRS 3). The consideration transferred by the Company to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Company recognizes identifiable assets acquired and liabilities assumed, including contingent liabilities, in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at the acquisition-date fair values. Goodwill is stated after separate recognition of identifiable assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognized amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of any existing equity interest that the Company has in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair value of identifiable net assets exceeds the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognized in net earnings immediately.

2.12 Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available for sale investments and gains or losses on certain derivative instruments. To date, there have not been any charges to other comprehensive income (loss).

2.13 Revenue recognition

Revenue represents the fair value of the sale of goods to customers, net of discounts and sales tax in the ordinary course of the Company's activities. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer, it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably, which generally arises on delivery.

Revenues from memberships, administration fees and consultations are recognised at the latter of when the service has been provided and collection is reasonably assured. Revenues received for future periods are deferred until such time as the service is provided.

Revenues from commissions are recognised when the amounts are fixed or determinable and collection is reasonably assured.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically measured, they are measured at fair value of the share-based payment. The fair value of the share based payments is recognized together with a corresponding increase in equity over a period that services are provided or goods are received.

Equity settled transactions

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted, incorporating the Black-Scholes option pricing model.

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented

No expense is recognized for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

2.15 Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options outstanding that may add to the total number of common shares.

2.16 Income taxes

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

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be recovered.

2.17 Related party transactions

Related parties are individuals or corporations who do not deal at arms length with the Company.

2.18 Equity

Share capital

Share capital represents the amount received on the issuance of common shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. If shares are issued when options or warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus or warrants. In addition, if common shares are issued as consideration for the acquisition of non-monetary assets, they are measured at the fair value of the assets or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the assets or services received, the common shares are measured at the fair value of the shares issued. Given that there is no quoted price for the Company's shares, the fair value is estimated by using other observable inputs at that date.

Warrants

Warrants include charges related to the issuance of warrants until such equity instruments are exercised.

In the event that the Company reacquires its own warrants, they are held by the Company until the time they are transferred or cancelled. Upon cancellation the value of the warrants is closed into the deficit.

Contributed surplus

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

2.19 Critical accounting estimates and judgements

The Company's condensed interim consolidated financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the consolidated financial statements. Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Useful lives of depreciable assets

The useful lives of depreciable assets have been determined based on management estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain computer equipment.

Useful lives of intangible assets

The useful lives of intangible assets have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options granted and the time of exercise of those options. The model used by the Company is the Black-Scholes valuation model.

Judgements

Assessing the probability of utilizing deferred tax assets

Deferred tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Information about assumptions and estimation based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies, is included in Note 13. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Impairment

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and interpretations in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.8)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year involves significant judgement based on historical events that are believed to be reasonable under the circumstances. See Note 1 for more information.

Valuation adjustments for inventory

The Company records a valuation adjustment for inventory by comparing inventory cost to its net realizable value. This process requires judgements related to future market demand, cost and pricing. These adjustments are reviewed on an ongoing basis and may have a significant impact on any valuation adjustment for inventories.

2.20 Segmented information

Throughout the period ended May 31, 2017, the Company operated in one segment, ownership and operation of clinics within Canada.

3 - NEW STANDARDS AND INTERPRETATIONS TO BE ADOPTED IN FUTURE

At the date of authorization of these condensed interim consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the condensed interim consolidated financial statements of the Company.

IFRS 9 '*Financial Instruments: Classification and Measurement*' - as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing the impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the condensed interim consolidated financial statements.

IFRS 15 '*Revenue from contracts with customers*' was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 15 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the condensed interim consolidated financial statements.

IFRS 16 '*Leases*' replaces IAS 17 '*Leases*', and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the consolidated statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retrospective application and with early adoption permitted. The Company continues to assess this new standard and the potential impact to the condensed interim consolidated financial statements.

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4 - BUSINESS COMBINATION

On December 23, 2016 the Company entered into a Share Purchase Agreement with Wilson Master Apps Inc. (doing business as CannApply Medical Services). The Company acquired 100% of the issued securities of CannApply for a total consideration of \$600,000 payable in 1,300,000 common shares of the Company with a deemed value of \$0.25 per share and \$275,000 in cash with \$100,000 paid at closing. An additional amount of \$175,000 is due conditionally in the event the Company is acquired by a public company (an "RTO") on or before January 1, 2018. If the Company does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of CannApply.

The Company has accounted for this transaction as a business combination under IFRS 3 as the group of assets acquired met the definition of a business.

The following table summarizes the fair value of the net assets acquired. The valuation was performed by the Company based on the internal appraisals of the fair value of the property and equipment acquired. The assessment of the purchase price allocation is based on management's current knowledge of the business of Wilson Master Apps Inc. The allocation is preliminary and may change as more information becomes available. The change, if any, may be significant.

Value recognized on the acquisition date	
Cash	7,621
Trade and other receivables	49,467
Goodwill	701,794
Trade and other payables	(149,467)
Deferred revenues	(9,415)
Total net assets acquired	600,000

5 - INVENTORY

Inventory consists of various retail items. Most items are instruments used by patients to help prepare and administer prescribed medical cannabis.

	<u>May 31, 2017</u>	<u>August 31, 2016</u>
Retail items	39,050	10,027

During the three and nine month periods ended May 31, 2017, \$30,008 and \$61,876 of inventory was recognized as an expense, respectively (\$8,829 and \$22,276 for the three and nine month periods ended May 31, 2016, respectively).

6 - PROPERTY AND EQUIPMENT

		Furniture and Equipment	Electronic Equipment	Information panels	Signs	Leasehold Improvements	Total
Cost:							
At August 31, 2015		33,127	20,739	14,233	8,000	192,730	268,829
	Additions	35,408	14,040	-	14,627	307,734	371,809
	Disposals	-	-	-	-	-	-
At August 31, 2016		68,535	34,779	14,233	22,627	500,464	640,638
	Additions	55,770	34,018	-	41,741	445,726	577,255
	Disposals	-	-	-	-	-	-
At May 31, 2017		124,305	68,797	14,233	64,368	946,190	1,217,893
Accumulated Amortization							
At August 31, 2015		1,065	1,536	965	286	8,848	12,700
	Amortization	7,246	7,009	4,744	1,924	48,864	69,787
	Disposals	-	-	-	-	-	-
At August 31, 2016		8,311	8,545	5,709	2,210	57,712	82,487
	Amortization	16,281	13,795	3,559	13,836	195,361	242,832
	Disposals	-	-	-	-	-	-
At May 31, 2017		24,592	22,340	9,268	16,046	253,073	325,319
Carrying amounts:							
At August 31, 2016		60,224	26,234	8,524	20,417	442,752	558,151
At May 31, 2017		99,713	46,457	4,965	48,322	693,117	892,574

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7 - INTANGIBLE ASSETS

		Total
Cost:		Software Licenses
At August 31, 2015		100,000
	Additions	-
	Disposals	-
At August 31, 2016		<u>100,000</u>
	Additions	-
	Disposals	-
At May 31, 2017		<u>100,000</u>
Accumulated Amortization		
At August 31, 2015		20,763
	Amortization	55,878
	Disposals	-
At August 31, 2016		<u>76,641</u>
	Amortization	23,359
	Disposals	-
At May 31, 2017		<u>100,000</u>
Carrying amounts:		
At August 31, 2016		<u>23,359</u>
At May 31, 2017		<u>-</u>

8 - CONVERTIBLE DEBENTURES

On April 10, 2017, the Company completed a private placement financing of convertible debentures with a total principal amount of \$1,000,000. Total transaction costs of \$30,100 were incurred on the issuance. The holders of Convertible Debentures will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Debentures provide that immediately prior to completion of the Acquisition, the Convertible Debentures will convert into common shares of the Company at a 20% discount to the Concurrent Financing Price or 5,000,000 shares. The private placement offering of the Company occurred on July 10, 2017.

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. As a result, to determine the fair value of the liability component, a three-month amortization period was used. The Company valued the debt component of the convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 20%, being management's best estimate of the rate that a non-convertible debenture with similar terms would earn.

The Company has allocated the proceeds from issuance between the estimated fair value of equity and debt components using an effective interest rate for the debt component of 20%. Based on this calculation, the liability component is \$923,714 (\$952,381 net of transaction costs) and the residual equity component is \$46,186 (\$47,619 net of transaction costs).

For its services, the broker received 150,000 Agents Convertible Note Warrants to purchase the Company's shares. The terms of the Agents Convertible Note Warrants provide that the broker may acquire the shares at an exercise price of \$0.20 per share at any time up until April 11, 2019.

9 - NOTE PAYABLE

On November 29, 2016 the Company borrowed \$300,000 from an unsecured lender at an interest rate on the principal at 5% per month from December 2016 through April 2017, and 2.5% per month on the principal from May 2017 forward. The loan and the interest amount are to be repaid in full or in the equivalent amount of National Access Cannabis Corporation common shares. The common share price will be based on market price. The option of converting all or part of the principal and interest amount into common shares is at the lender's sole discretion.

10 - EQUITY INSTRUMENTS

(a) **Share Capital**
Authorized:
The authorized capital stock of the Company consists of an unlimited number of common shares.

	<u>Number of shares</u>	<u>Amounts</u>
Balance, September 1, 2015	34,997,010	1,124,109
Share based compensation (i)	1,500,000	75,000
Balance, May 31, 2016	<u>36,497,010</u>	<u>1,199,109</u>
Balance, September 1, 2016	41,697,010	1,534,109
Conversion of Director Loans (ii)	8,000,000	400,000
Conversion of payable owed to Director (iii)	221,860	33,279
Subscription receipts net of issuance costs (iv)	1,794,000	431,445
Purchase of property, plant and equipment (v)	2,000,000	200,000
Acquisition of CannApply Medical Services (vi)	1,300,000	325,000
Share based compensation (i)	2,660,000	590,242
Conversion of options (vii)	500,000	5
Conversion of warrants (viii)	11,754,698	1,770,526
Balance, May 31, 2017	<u>69,927,568</u>	<u>5,284,606</u>

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10 - EQUITY INSTRUMENTS (continued)

(i) Members of the Board of Directors and executive management team of the Company received share based compensation for consulting services and salary. For the three and nine-month period ended May 31, 2017, the Company's expenses included \$45,000 (2016 - \$45,000) and \$165,247 (2016 - \$75,000) respectively for consulting fees and salary. Total common shares issued for the share based compensation was 180,000 for the three month period and 1,460,000 for the nine month period ended May 31, 2017 respectively (2016 - 900,000 for the three month period and 1,500,000 for the nine month period respectively).

On May 31, 2017, the Company granted 1,200,000 common shares to a consultant for services rendered pursuant to an agreement between the Company and the consultant. The consultant's share based compensation was earned for successfully opening the Company's Winnipeg and Saskatoon clinic locations.

(ii) On October 24, 2016 \$400,000 of amounts due to directors was settled with shares of the Company at a price of \$0.05 per share, for a total of 8,000,000 shares issued.

(iii) On November 22, 2016 \$33,279 payable to a director was settled with shares of the Company at a price of \$0.15 per share, for a total of 221,860 shares issued.

(iv) On February 7, 2017 the Company closed non-brokered private placements for total proceeds of \$448,500. The Company issued 1,794,000 common shares at a price of \$0.25 per share.

(v) On November 17, 2016 the Company entered into an Asset Purchase Agreement with a major shareholder of the Company, to repurchase the leaseholds and substantially all of the assets, real and personal, tangible and intangible at the seller's facility located at 2571 A Quadra Street, Victoria, British Columbia. Total consideration for the assets purchased is \$250,000 consisting of paying the seller \$50,000 and issue of 2,000,000 common shares at \$0.10 per share in capital of the Company. As a further consideration, in the event that the milestone of going public is achieved, the Buyer will pay to the Seller an additional amount of \$50,000.

(vi) On December 21, 2016 the Company entered into a Share Purchase Agreement with Wilson Master Apps Inc. (doing business as CannApply Medical Services) an Alberta Company with an office at 201, 5401 Temple Dr. NE, Calgary, AB. CannApply is a private company engaged in the business of operating clinics offering services to medical cannabis patients. CannApply currently operates out of four locations within the city of Calgary, AB. The Company acquired 100% of the issued securities of CannApply for a total consideration of \$600,000 payable in 1,300,000 common shares of the Company with a deemed value of \$0.25 per share and \$275,000 in cash with \$100,000 paid at closing. An additional amount of \$175,000 is due conditionally in the event the Company is acquired by a public company (an "RTO") on or before January 1, 2018. If the Company does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of CannApply.

(vii) On March 25, 2017, pursuant to an executive employment agreement with the incoming CEO, the Company granted 500,000 options with an exercise price of \$0.00001. 250,000 of the options vested immediately and 250,000 options vested on May 25, 2017. These options were exercised on March 29 and May 29, 2017 respectively. The options were attributed a fair value of \$124,995 on the grant date based on the Black-Scholes option pricing model and the following variables: fair value of security \$0.25, risk-free interest rate 0.87%, expected life of two years; \$Nil dividends, 70% volatility, and risk-free interest rate of 0.87%.

(viii) On May 12, 2017, all 11,754,698 Special Warrants were exercised for common shares. Per the Special Warrant subscription agreement, each warrant entitled the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one (1) common share in the capital of the Company.

(b) **Warrants**

	Number of warrants	Amounts
Balance, August 31, 2015	8,622,699	1,270,726
Subscription for warrants receipts net of issuance costs (i)	333,333	50,000
Redemption of warrants (ii)	(168,000)	(25,200)
Balance, August 31, 2016	8,788,032	1,295,526
Subscription for warrants receipts net of issuance costs (iii)	2,966,666	475,000
Conversion of warrants (iv)	(11,754,698)	(1,770,526)
Balance, May 31, 2017	-	-

(i) On June 9, 2016 the Company closed a non-brokered private placement for aggregate proceeds of \$50,000 consisting of 333,333 units. Each unit is comprised of one special warrant.

(ii) On February 1, 2016 168,000 special warrants with an exercise price of \$0.15 were cancelled and returned to treasury.

(iii) Between October 21, 2016 and February 7, 2017 the Company closed several non-brokered private placements for aggregate gross proceeds of \$475,000 consisting of 2,966,666 units. Each unit is comprised of one special warrant. The special warrants will automatically convert into common shares and will be deemed to have been exercised without any further action or payments.

(iv) On May 12, 2017, all 11,754,698 Special Warrants were exercised for common shares. Per the Special Warrant subscription agreement, each warrant entitled the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one (1) common share in the capital of the Company.

11 - STOCK OPTION PLAN

The stock option plan is applicable to directors, officers, employees and consultants of the Company. The options are granted at the Company's current fair market value of the common shares under terms and conditions determined by the Board of Directors. Under the terms of the plan, the options generally vest immediately and expire at various dates from the date of the grant. The Board of Directors has the right to modify vesting periods at the time of option grant. There were 4,725,000 issued during the period ended May 31, 2017 (5,875,000 as at August 31, 2016). The employee compensation expense related to options vested for the period ended May 31, 2017 is \$208,030 (August 31, 2016 - \$32,374). The Company may issue up to 10% of the issued and outstanding common shares under its stock option plan. For the period ended May 31, 2017 7,575,000 common shares (3,350,000 as at August 31, 2016) are reserved for addition options under this plan.

A summary of the status of the Company's issued and outstanding stock options as of May 31, 2017 and August 31, 2016, and changes during the years ended on those dates, is presented below:

	May 31, 2017		August 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	3,350,000	0.15	-	0.15
Net granted	4,725,000	0.18	5,875,000	0.15
Exercised	(500,000)	-	-	-
Forfeited	-	-	-	-
Cancelled	-	-	(2,525,000)	0.15
Outstanding, end of year	7,575,000	0.18	3,350,000	0.15

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11 - STOCK OPTION PLAN (continued)

The following table summarizes information about stock options as at May 31, 2017:

Number outstanding at May 31, 2017	Options outstanding		Options Exercisable
	Exercise prices	Weighted average remaining contractual life (in years)	Number exercisable at May 31, 2017
5,625,000	0.15	2.5	5,625,000
1,950,000	0.25	4.0	
7,575,000	0.18	2.9	5,625,000

The weighted average exercise price was \$0.18 as at May 31, 2017 (August 31, 2016 - \$0.15) for exercisable options.

The Company uses the Black-Scholes model to calculate option values. The assumptions using the Black-Scholes option pricing model as at May 31, 2017 were: a weighted average share price of \$0.25 and an exercise price of \$0.15, risk free interest rate of between 0.94% and 1.38%, and volatility of 70% with no expected dividend yield.

The underlying expected volatility was determined using volatility rates for companies in similar industries with similar useful lives of the options.

The fair value of the stock options granted during the period ended May 31, 2017 was \$208,030 (August 31, 2016 - \$32,374).

12 - LOSS PER SHARE

The calculation of basic and diluted loss per share for the relevant periods is based on the following information:

	Three months ended May 31		Nine months ended May 31	
	2017	2016	2017	2016
Weighted average number of common shares, basic and diluted	58,957,101	35,897,010	52,839,097	35,330,952

The treasury stock method is used to calculate loss per share and under this method stock options and warrants that are anti-dilutive are excluded from the calculation of diluted loss per share. For the nine months ended May 31, 2017 and the year ended August 31, 2016, all outstanding options and warrants were considered anti-dilutive because the Company recorded a loss over those periods.

The outstanding stock options and warrants that could dilute basic net loss per share in future periods but were not included in determining diluted net loss per share for the three and nine month periods ending May 31, 2017 and May 31, 2016 because they are anti-dilutive are as follows:

	Three months ended May 31		Nine months ended May 31	
	2017	2016	2017	2016
Stock options	7,575,000	-	7,575,000	-
Warrants	150,000	8,454,699	150,000	8,454,699
	7,725,000	8,454,699	7,725,000	8,454,699

13 - LEASE AND OTHER COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Company has entered into various lease agreements having terms of 27 to 60 months. These lease agreements expire between November 30, 2017 and April 30, 2020.

As at May 31, 2017, the minimum annual lease payments are expected to be as follows:

2017	78,281
2018	235,530
2019	160,580
2020	79,150
2021	26,046
	<u>579,587</u>

The Company is currently party to a claim, of which the results are neither fixed nor measurable for the three and nine months ended May 31, 2017.

14 - KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation for key management personnel, including the Company's Officers and Board of Directors, was as follows for the period:

	Three months ended May 31		Nine months ended May 31	
	2017	2016	2017	2016
Salaries	96,321	50,000	203,167	111,500
Directors' fees	-	16,000	-	16,000
Share-based compensation	207,404	45,000	481,218	75,000
Total Key Management Compensation	303,725	111,000	684,385	202,500

Salaries include cash payments for base salaries and bonuses. Directors' fees include meeting fees and retainers. Share-based compensation includes the compensation expense recognized during the year for key management personnel. There were \$208,030 of stock options granted to key management personnel for the period ended May 31, 2017 (August 31, 2016 - \$32,374).

15 - RELATED PARTY TRANSACTIONS

Related parties include the Company's key management personnel, independent directors and shareholders. Transactions with related parties were conducted in the normal course of operations and are measured at fair value, which is the amount of consideration established and approved by the related parties.

On October 24, 2016 \$400,000 of amounts due to directors was settled with shares of the Company at a price of \$0.05 per share, for a total of 8,000,000 shares issued.

On November 22, 2016 \$400,000 payable to a director was settled with shares of the Company at a price of \$0.15 per share, for a total of 2,666,667 shares issued.

On November 17, 2016 the Company entered into an Asset Purchase Agreement with a major shareholder of the Company, to repurchase the leaseholds and substantially all of the assets, real and personal, tangible and intangible at the seller's facility located at 2571 A Quadra Street, Victoria, British Columbia. Total consideration for the assets purchased is \$300,000 consisting of paying the seller \$50,000 and issue of 2,000,000 common shares in capital of the Company. As a further consideration, in the event that the milestone of going public is achieved, the Buyer will pay to the Seller an additional amount of \$50,000.

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15 - RELATED PARTY TRANSACTIONS (continued)

On March 1st, 2017, the Company received a loan of \$150,000 from a Company Director. On March 29th, 2017, the Company received an additional loan of \$100,000 from the same Director. Both loans are unsecured and bear interest at 5% per annum. Principal and interest are due no later than September 26, 2017.

Members of the Board of Directors and executive management team of the Company received compensation for consulting services and salaries. For the three and nine-month period ended May 31, 2017, the Company's expenses included \$303,725 (2016 - \$111,000) and \$684,384 (2016 -\$202,500) respectively for consulting fees and salaries.

During the period ended May 31, 2017, rent in the amount of \$27,000 was paid to a shareholder of the Company, and rent in the amount \$30,700 (\$29,995 for the period ended May 31, 2016) was paid to the immediate family of the same shareholder.

16 - INCOME TAXES

As at May 31, 2017, the Company has not recognized a deferred tax asset in respect of its deductible temporary differences and past losses incurred as it has not been demonstrated that the Company will be able to generate sufficient future profits to utilize this tax asset over a reasonable period of time. The expiry of the Company's non-capital losses are as follows:

2035	495,933
2036	<u>1,313,869</u>
	<u>1,809,802</u>

17 - FINANCIAL INSTRUMENTS

The table below summarizes the carrying values of the Company's financial assets and financial liabilities:

		As at May 31, 2017	As at August 31, 2016
Financial assets:			
FVTPL			
	Cash	291,846	58,745
Loans and receivables			
	Trade and other receivables	448,311	178,178
Total financial assets		359,034	236,923
Financial liabilities:			
Financial liabilities at amortized cost			
	Trade and other payables	892,151	206,743
	Convertible debentures	923,714	-
	Note payable	382,500	-
	Due to directors	250,000	383,279
Total financial liabilities		1,066,100	590,022

Financial Risk Management Objectives and Policies

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risk, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

Credit Risk

Credit risk arises from cash held with banks and trade and other receivables. The Company does not have a significant concentration of risk with any customer and its maximum risk exposure is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent loss on financial assets. The Company minimizes credit risk as cash is held by reputable financial institutions. The Company is not aware of any collection issues and no receivables are past due or impaired.

18 - CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Maintain a capital structure that allows it to finance its growth strategy with cash flows from its operations, the cash exercise of existing warrants and its debt capacity;
- Preserve its ability to meet its financial obligations by funding the capital needs via various private and institutional sources; and
- Optimize the use of its capital to provide an appropriate return on investment to its shareholders.

The Company defines its capital as shareholders' deficiency and amounts due to shareholders.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the capital management strategy during the period ended May 31, 2017.

19 - SUBSEQUENT EVENTS

On June 5, 2017 The Company reached an agreement with Alternate Health Corp. (AHI), an international medical cannabis company, to launch AHI's CanaCard Patient Management System in all of the Company's clinics across Canada. This agreement creates a base for further expansion for both the Company and AHI in the Canadian market. The CanaCard Patient Management System is a cloud-based platform that manages the end-to-end transactions involved with providing safe access to medical cannabis for patients across Canada. The database connects patients, certified doctors and Licensed Producers with a complete set of patient management tools and ensures the secure storage of personal data, account balances, transactional volume and research data. AHI will install the system in each of National Access Cannabis' clinics across Canada and any new clinic the Company opens in the future. The Company will pay AHI a fee to setup AHI software for each location. Revenues will be generated for both the Company and AHI from transaction fees charged on sales between patients and Licensed Producers of medical cannabis, compliant with Health Canada's rules and guidelines for medical cannabis in Canada.

On July 5th, 2017, the Company borrowed \$200,000 from an unsecured lender at an interest rate on the principal at 5% per month for a period of up to 75 days. Principal and interest are due no later than September 15th, 2017.

On July 10, 2017, the Company entered into an amalgamation agreement between the Company and Brassneck Capital Corp. and 1119622 B.C. Ltd., a wholly-owned subsidiary of Brassneck Capital Corp. which will result in a reverse takeover of Brassneck by the Company (the "Proposed Transaction") in accordance with the policies of the TSX Venture Exchange. Upon completion of the Proposed Transaction the combined entity (the "Resulting Issuer") will continue to carry on the business of National Access Cannabis Corp.

The Company executed an engagement letter with PI Financial Corp. and Canaccord Genuity Corp, as co-lead agents in connection with a Concurrent Private Placement on March 29, 2017. On July 10, 2017, the Concurrent Private Placement was completed and the Company sold 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for gross proceeds to the Company of \$6,000,000. Each Subscription Receipt will be automatically exchanged immediately prior to the completion of the Proposed Transaction for one common share of the Company upon satisfaction of certain escrow release conditions. Each share of the Company will be exchanged for one common share of Brassneck in accordance with the terms of the Proposed Transaction. Under the terms of the Agency Agreement, on the closing of the Proposed Transaction, the Agents will receive a commission of \$240,000 payable in cash. The Agents will also be granted 960,000 warrants by NAC ("Agent's Warrants") to acquire that number of Resulting Issuer common shares exercisable at a price of \$0.25 per Resulting Issuer common share, for a period of 24 months from the closing date of the Concurrent Private Placement.

On July 14, 2017, the Company issued 8,074,800 escrow performance shares held by Owen Bird Law Corporation in escrow and issued to directors, executives, employees, and consultants ("Performance Party") of the Company, to be released to and vest in the Performance Party entitled to receive Performance Shares from time to time upon meeting certain pre-defined events and milestones in the Performance Escrow Agreement specific to each Performance Party.

On August 24, 2017, the Company entered into a Consulting Services Agreement with Paskwayak Business Development Corp. ("PBDC"), a related party and a major shareholder of the Company. The Company will issue to PBDC warrants ("performance warrants") which will allow PBDC to purchase up to 6,000,000 shares of the Company at the discounted market price (as defined in TSX Venture Exchange Policy 1.1) per share, exercisable from the completion of the of the Qualifying Transaction with Brassneck Capital Corp., by the Company, expiring August 1, 2019. PBDC will earn performance warrants if certain milestones are met as defined in the Consulting Services Agreement.

NATIONAL ACCESS CANNABIS CORPORATION**Schedule of General and Administrative Expenses**

For the three and nine month periods ended May 31, 2017 and May 31, 2016

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended May 31		Nine months ended May 31	
	2017	2016	2017	2016
	\$	\$	\$	\$
General and administrative expenses				
Bad debt	-	-	-	113
Business taxes and licenses	-	-	2,763	-
Computer expenses	7,305	9,631	13,233	15,414
Insurance	2,680	1,694	6,131	4,894
Interest and bank charges	45,234	1,860	99,624	5,282
Laundry and cleaning	249	206	784	1,016
Management fees	41,142	75,349	150,033	137,849
Office supplies	56,053	12,740	141,545	36,845
Professional fees	381,829	92,780	744,897	242,787
Rental	107,611	34,994	287,346	65,489
Repairs and maintenance	-	2,943	220	3,163
Salaries and benefits	925,309	105,203	1,470,754	217,310
Telecommunications	1,941	1,013	7,796	4,765
Travel and entertainment	56,821	12,980	107,869	22,195
Uniforms	-	-	4,817	-
Utilities	6,345	2,632	17,561	4,723
	1,632,519	354,025	3,055,373	761,845

APPENDIX D
MANAGEMENT'S DISCUSSION & ANALYSIS of NAC

Management Discussion & Analysis

The following discussion of National Access Cannabis Corporation's (NAC, the Company) financial condition and results of operations should be read in conjunction with the audited financial statements and related notes for the years ended August 31, 2015 and 2016. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). All dollar amounts referred to in this management's discussion and analysis (MD&A) are Canadian dollars. NAC's board of directors, on the recommendation of the audit committee, approved the content of this MD&A on June 12, 2017.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes forward-looking statements about NAC, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, dependent on, or refer to, future events or conditions and include words such as 'hopes', 'expects', 'anticipates', 'intends', 'plans', 'believes' or negative versions thereof, and similar expressions.

In addition, any statements that may be made concerning future financial performance, ongoing business strategies, goals, objectives or prospects, and possible future action on NAC's part, are also forward-looking statements that reflect The Company's beliefs based on information currently available and on assumptions that we believe are reasonable. These assumptions include, but are not limited to; our ability to predict market demand for our products and services, the eventual passing of relevant legislation at the Canadian Federal, Provincial and Municipal levels allowing legal dispensing of cannabis and cannabis-related products, and changes in the competitive environment that NAC operates in.

NAC's business operations are subject to regulations by governmental authorities. Implementing certain business objectives stated in this MD&A are contingent, in part, upon compliance with regulatory requirements enacted by governmental bodies and obtaining regulatory approval for the sale of cannabis-based products and applicable patient services. Any delay in obtaining, or failure to obtain regulatory approvals would significantly delay the development of corporate objectives and could have a material adverse effect on the Company's business and financial condition. Currently, possession of cannabis other than for medical use and store front sale of medical or other cannabis each contravene the Controlled Drugs and Substances Act and its regulations.

For more information, please see the discussion on the principal risks that could affect our results under the section "Risks Related to our Business", beginning on page 11 of this MD&A. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from the conclusions, forecasts, or projections anticipated in these forward-looking statements. Because of these risks, uncertainties, and assumptions, the reader is cautioned to consider these and other factors carefully and to not place undue reliance on forward-looking statements.

Forward-looking statements are made in this MD&A to describe management's expectations and assist shareholders in understanding our financial position. Readers are cautioned that the forward-looking statements presented in this MD&A may not be appropriate for other purposes. We are under no obligation (and expressly disclaim any obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless specifically required by applicable securities legislation. The Company's forward-looking statements are made only as of the date of this MD&A, and except as required by applicable law, NAC undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

Business & Strategy

The Company was incorporated in British Columbia on November 12, 2014. The Company, through its wholly-owned, privately held subsidiary, National Access Canada Corp., operates branded alternative health caregiver clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Ontario, which assist patients to learn about the new medical cannabis therapies, provide guidance on how to take this medicine and obtain prescriptions. Clinics link patients with physicians who conduct an assessment to determine if cannabis is the right form of treatment. The clinics are for educational purposes and are a place where people in the community can feel comfortable being informed about health issues. Each location is staffed with health and wellness professionals dedicated to educating and guiding patients through the process of seeking medical cannabis. NAC's management expertise and industry knowledge allows it to streamline the process for accessing medical cannabis for a wide range of medical and therapeutic conditions. The Company is a new kind of company devoted to improving patient quality of life by creating local alternative care and education centers in locations throughout Canada.

The Company's strategic business focus is on opportunities that increase both the continued management of existing corporate clinic locations, future development of a new corporate locations and acquisition of existing businesses that are experiencing growth in the cannabis sector within Canada. NAC business plans include developing and operation of distinctive alternative health care centres providing medical cannabis information, education, supply assistance and medical liaison services to its clients. NAC provides compassionate guidance and expertise to its patients and occupies a critical role between licensed producers and patients.

In addition to The Company's current core business operations, NAC is seeking to become a model for legalized safe distribution of cannabis and cannabis products throughout Canada. NAC is prepared to react quickly to legislative changes relating to regulation of cannabis in Canada. The Government of Canada has committed to ending prohibition and regulating production of adult use cannabis, with the provincial and local governments having a role in regulating store front sale of cannabis. The Final Report of the Task Force on Cannabis Legalization and Regulation to the Government of Canada includes recommendations regarding store front distribution. If Federal and Provincial legislation allow the sale of cannabis through store front locations, NAC will pursue licensing to open medical and recreational store fronts throughout Canada.

NAC's market opportunity is driven by the simultaneous expansion of the Canadian medicinal cannabis program pursuant to the Access to Cannabis for Medical Purposes Regulations (ACMPR) and the anticipated adult use legalization in July 2018. Dundee Capital Markets estimated that there will be over 480,000 registered medical cannabis patients by 2021 representing over \$1.7 billion in medical cannabis product sales. Deloitte's 2016 report (Recreational Marijuana | Insights and Opportunities) contained a survey on market size with results showing 22% of Canadians currently consume recreational cannabis (excludes medical) with a further 17% potentially willing to try it if it were legal. The Deloitte report estimates the base recreational retail market could be between \$4.9 billion and \$8.7 billion and the potential upside of the total ancillary market is greater than \$20 billion.

As cannabis patient growth continues to accelerate, the regulatory challenge will be to implement a distribution model that works best economically while maintaining socially responsible consumption. With locations in six provinces, NAC is well-positioned to tailor any potential approach to the store front sale of cannabis in a safe and controlled distribution model.

Despite the regulated mail order environment mandated by Health Canada and promulgated by the licensed producers, most Canadians consuming medical cannabis prefer the convenience of a dispensary storefront

model, where they receive education and guidance on treatment in addition to their prescribed cannabis. This presents a unique opportunity for a professionally managed legal retail alternative. In addition, the upcoming legalization of recreational cannabis in Canada will create a vast market providing NAC with an excellent opportunity to expand operations into the adult use space as well as medical dispensing. The goal is to participate in and profit from activities in the retail and education sectors of the medical and adult use cannabis industry.

In its report to Parliament, the Federal Marijuana Task Force on the legalization of marijuana made suggestions regarding dedicated storefronts that do not currently sell alcohol or tobacco in addition to a comprehensive patient and consumer education strategy. NAC is perfectly positioned, with its nationwide chain of locations, to benefit from both upcoming changes to medical distribution as well as the adult-use legalization of cannabis to occur within the next year.

The Company's current active business model results in several distinct sources of revenue consisting of administration fees, educational grants and merchandise sales.

Administration Fees: NAC patients receive a NAC branded 'Access Card' confirming their status as a legal medical cannabis patient, in addition to in-depth education sessions, access to NAC events, discounted merchandise as well as medication order transmission to licensed producers.

Educational Grants: after diagnosing a patient's cannabis strain requirements, NAC caregivers assists the patient in selecting an appropriate licensed producer to purchase medication. In some cases, NAC receives an educational grant from LP's for this service provided.

Merchandise Sales: NAC sells branded products and accessories through its clinic locations. Inventory consists of instruments used by patients to help prepare and administer prescribed medical cannabis.

Letter of Intent – Reverse Take Over Transaction

On March 29, 2017 the Company entered into a letter of intent with Brassneck Capital Corp. (TSX VENTURE:BC.P) ("Brassneck") in respect of a proposed transaction pursuant to which NAC is expected to acquire Brassneck by way of reverse takeover (the "Acquisition"). It is currently anticipated that the Acquisition will occur as a merger, amalgamation or share exchange, the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both NAC and Brassneck. Upon completion of the Acquisition, the combined entity (the "Resulting Issuer") will continue to carry on the business of NAC. It is expected that upon completion of the Acquisition, the Resulting Issuer will meet the Initial Listing Requirements for a Tier 2 Life Sciences issuer under the policies of the TSX Venture Exchange (the "Exchange").

Brassneck is incorporated under the laws of the Province of Alberta and has a head office in Calgary, Alberta. The Corporation is a "capital pool company" under the policies of the Exchange and it is intended that the Acquisition will constitute the "Qualifying Transaction" of the Corporation, as such term is defined in Exchange Policy 2.4 - Capital Pool Companies. The Corporation is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

NAC completed a private placement financing of convertible notes ("Convertible Notes") for aggregate gross proceeds of \$1,000,000 on April 11, 2017. The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC ("NAC Shares") at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the Exchange. The proceeds of the Convertible

Notes will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer's future growth plans.

NAC expects to complete the Concurrent Private Placement (as defined below) and raise aggregate gross proceeds of a minimum of \$6,000,000 (the "Maximum Placement Amount") at a price of \$0.25 per Subscription Receipt, as described further below. NAC also expects to convert the Convertible Notes and issue NAC Shares in connection with the terms of the Convertible Notes.

Brassneck will issue 87,522,568 Brassneck Shares at a deemed price of \$0.25 per share on the basis of one Brassneck Share for each one NAC Share for deemed consideration of approximately \$21,880,642, which for greater certainty, does not include the NAC Shares to be issued under the Convertible Note conversion or the Concurrent Private Placement.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Concurrent Private Placement, the satisfaction of the Corporation and NAC in respect of the due diligence investigations to be undertaken by each party, the completion of a Definitive Agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance of the Acquisition as the Qualifying Transaction of Brassneck and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all.

Board of Directors & Management

Upon Completion of the Qualifying Transaction, the board of directors of the Resulting Issuer will consist of Chuck Rifici, Rocco Meliambro, Dr. John Gillis, Jeff Hunt and, Marc Lustig. Mark Goliger will be appointed CEO, Michael Best will be appointed CFO, Derek Ogden will be appointed President and Michael Saliken will be appointed Corporate Secretary of the Resulting Issuer.

Results

	Year Ended	
	31/Aug/16	31/Aug/15
Total revenue	\$313,814	\$13,702
Cost of goods sold	(\$163,944)	(\$11,758)
Gross profit	\$149,870	\$1,944
Office and general administrative expenses	(\$1,276,157)	(\$458,287)
Sales and marketing expenses	(\$90,689)	(\$59,922)
Amortization	(\$125,665)	(\$24,997)
Other revenue and expenses	\$0	\$45,329
Net comprehensive (loss)/income for the period	(\$1,342,641)	(\$495,933)
Earnings (Loss) per share - basic and diluted	(\$0.04)	(\$0.03)
Deficit, at end of period	(\$1,838,574)	(\$495,933)

RESULTS OF OPERATIONS

For the fiscal year, the net comprehensive loss was \$1,342,641 or \$0.04 per share, versus the loss during fiscal 2015 of \$495,933 or \$0.03 per. The Company did not begin generating revenue until late July 2015 when the first corporate clinic was opened in Ottawa, Ontario. NAC is a relatively new organization that has been expanding rapidly. Losses incurred to date are primarily due to growing the business and associated infrastructure.

NAC is focused on client acquisition and will continue with expansion efforts in pursuit of this goal. The Company does not anticipate generating operating profits in the near term. NAC plans to expand its clinic operations to all economically viable locations in Canada. Planned expansion strategies include; developing additional corporate locations, seeking additional acquisition opportunities and providing additional services and activities surrounding the medical cannabis industry. Future activities will require funding through additional equity financings, loans or through the development of strategic business partnerships.

In the third quarter of fiscal year 2016, the Company began expansion with the opening of a second clinic in Victoria, BC. Aggressive expansion has continued into fiscal year 2017 with the opening of four additional corporate clinics and acquisition of an additional four locations. In October 2016 the Company established a clinic in Toronto and in November 2016 opened its first location in the Maritimes: Halifax, Nova Scotia. NAC opened a location in Saskatoon, Saskatchewan in January 2017. In March 2017, the company opened a location in Winnipeg Manitoba.

In October 2016, the Company entered into a letter of intent to acquire 100% of Wilson Master Apps Inc. (dba CannApply Medical Services, Ltd.), a privately held company based in Calgary, engaged in the business of operating clinics that offer services to medical cannabis patients. On December 23rd 2016, NAC completed the acquisition of CannApply and inherited four key locations in Calgary, Alberta with over 3,800 registered patients for the use of its services in acquiring medical cannabis from licensed producers, as well as 10 dedicated caregivers providing cannabis related information and guidance. CannApply now operates as a wholly-owned subsidiary of NAC.

REVENUE

Revenue for fiscal year 2016 was \$313,814 versus \$13,702 in fiscal 2015. The increase is due to a full year of operations for the Ottawa location and the opening of our second caregiver clinic in Victoria, BC in the third quarter of fiscal 2016.

GROSS PROFIT

Gross Profit for the 2016 fiscal year was \$149,870 versus \$1,944 for fiscal 2015. NAC began clinic operations in July 2015 with the Ottawa location operating for only two months in fiscal 2015.

FINANCING ACTIVITIES

For the year ended August 31, 2016 NAC generated \$1,125,681 from financing activities versus \$1,372,135 for fiscal 2015. This includes net equity raised through the issuance of share capital and special warrants of \$434,800. In addition, a note receivable was repaid to NAC in the amount of \$298,000. Directors loaned The Company a total of \$383,279. Proceeds from financing activities are allocated to finance continued expansion and general working capital.

INVESTING ACTIVITIES

For the year ended August 31, 2016 NAC spent \$371,809 on investing activities versus \$328,408 in fiscal 2015. All investment expenditures in fiscal 2016 were for purchase of leasehold improvements and furniture and equipment required for the new corporate clinic locations.

EXPENSES

Total expenses increased to \$1,492,511 in fiscal 2016 (fiscal year 2015: \$543,206). NAC continued to expand its operations throughout fiscal 2016. Several additional employees were added to the management team and clinic staff. NAC's Victoria location began operations in fiscal year 2016. Leases were signed for four new NAC locations in Toronto, Halifax, Saskatoon and Winnipeg. All four clinics opened in fiscal year 2017 with design, legal and other professional fees associated with these locations having been incurred in fiscal 2016.

Office, General and Administrative Expenses

	Year Ended			
	31/Aug/16	%	31/Aug/15	%
Legal & professional fees	\$348,556	27%	\$186,794	41%
Management fees	\$213,261	17%	\$129,170	28%
Wages & benefits	\$384,435	30%	\$38,168	8%
Travel	\$32,945	3%	\$12,472	3%
Rent & utilities	\$145,124	11%	\$32,852	8%
Other	\$151,836	12%	\$58,831	9%
Total	\$1,276,157	100%	\$458,287	100%

Office, general and administrative expenses were \$1,276,157 in fiscal year 2016 versus \$458,287 in fiscal year 2015. The increase is due to continued growth and expansion of the Company's operations.

Legal and professional fees for fiscal 2016 were \$348,556 versus \$186,794 for fiscal 2015. These fees were incurred for legal work for general corporate matters, accounting, government and investor relations and other costs associated with the expansion of new corporate locations.

Management Fees in fiscal 2016 were \$213,261 (2015: \$129,170) paid to the Company's CEO and other individuals providing various business consulting services.

Travel expenses in fiscal 2016 were \$32,945 (2015: \$12,472) related to executive travel.

Rent and utilities of \$145,124 were incurred in fiscal 2016 (2015: \$32,852). The Company entered into new leases for corporate clinic locations in Toronto, Halifax, Saskatoon, Winnipeg and Victoria during fiscal 2016.

STOCK-BASED COMPENSATION EXPENSES

During the year ended August 31, 2016, the Company recognized share-based compensation expense of \$152,374 (2015: nil). Of that total, \$32,374 was related to options granted to key management personnel.

NAC granted 3,350,000 stock options during the year that ended August 31, 2016 all of which vested immediately. No stock options were granted during fiscal 2015. Share-based compensation recognized for the issuance of stock options was valued using the Black-Scholes valuation model and represents a non-cash expense.

Balance Sheet

As at	31/Aug/16	31/Aug/15
Total assets	\$1,675,195	\$2,009,853
Total liabilities	\$651,760	\$110,951
Share capital	\$2,829,635	\$2,394,835
Contributed surplus	\$32,374	\$0
Deficit, at end of year	(\$1,838,574)	(\$495,933)

TOTAL ASSETS

Total assets were \$1,675,195 at August 31, 2016 versus \$2,009,853 on August 31, 2015. The decrease in total assets is primarily due to the continued use of cash for operations and expenses related to expansion initiatives.

TOTAL LIABILITIES

Total liabilities increased to \$651,760 at August 31, 2016 versus \$110,951 on August 31, 2015 due to increases in accounts payable, deferred revenues and loan advances due to directors. Directors loaned the Company \$383,279 in fiscal 2016.

Capital Resources & Liquidity

The financial statements are prepared by management in accordance with IFRS on a going concern basis, which assumes that NAC will be able to continue to operate for the foreseeable future. However, the reader is advised to carefully read the section below on working capital as well as the section on risks related to our business in this document, with particular emphasis on the section dealing with additional financing. The reader is also advised to review the discussions of credit risk and liquidity risk in Note 15 of the accompanying financial statements.

NAC has incurred losses since incorporation and as at August 31, 2016, the Company had an accumulated deficit of \$1,838,574 (August 31, 2015: \$495,933). The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing and ultimately on its ability to achieve profitable operations. There can be no assurances that the Company will be able to secure additional financing or that it will become profitable on a consistent basis. These conditions result in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

WORKING CAPITAL

Current assets decreased from \$860,010 at August 31, 2015 to \$279,208 at August 31, 2016 primarily as a result of the use of cash in operations.

Current liabilities increased from \$101,326 at August 31, 2015 to \$635,835 at August 31, 2016 as a result of an increase in amounts due to directors accounts payables and deferred revenues. The total amount due to directors as of August 31, 2016 was \$383,279. The director loans were subsequently exchanged for common shares in fiscal 2017.

The Company's working capital deficiency as at August 31, 2016 was \$356,627. Subsequent to the fiscal year-end the Company agreed to minimum lease payments for its corporate clinic locations of \$791,903. As of the date of this management's discussion and analysis the Company does not have sufficient financial resources to meet its future obligations and commitments. It is imperative that the Company find additional sources of capital in order to continue as a going concern.

CASH USED IN OPERATIONS

Cash used in operations amounted to \$1,132,853 for the year ended August 31, 2016 compared to \$606,001 for fiscal 2015 due to an increase in net loss from \$495,933 in 2015 to \$1,342,641. Charges to operations not requiring current cash payments increased from (\$21,207) in fiscal 2015 to \$154,737 in fiscal 2016 due an increase in amortization expenses and share-based compensation and offset by a decrease of \$45,329 on a gain on the sale of the Victoria location leaseholds in fiscal 2015.

	31/Aug/16	31/Aug/15
Net loss for the year	(\$1,342,641)	(\$495,933)
Add charges to operations not requiring current cash payment	\$154,737	(\$21,207)
Changes in non-cash working capital balances related to operations	\$55,051	(\$88,861)
Cash used in operating activities	(\$1,132,853)	(\$606,001)

RELATED PARTY TRANSACTIONS

Related parties include the Company's key management personnel, independent directors and shareholders. Transactions with related parties were conducted in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and approved by the related parties.

On May 1, 2015, the Company entered into a lease agreement at 1111 Wellington Street, Ottawa, ON, with a shareholder's immediate family member. The term of the contract is five years ending on April 30, 2020 for \$3,500 plus HST to be paid monthly. As part of the agreement, the Company received lease inducement totalling \$10,500 to be amortized over the term of the lease agreement.

On June 18, 2015, the leasehold and all other assets located at 2571 Quadra Street Victoria, BC, were sold to the property owner, a major shareholder of the Company (the Buyer), effective June 18, 2015. The Buyer delivered a promissory note in the amount of \$298,000 in consideration for the conveyance and transfer of the assets. The promissory note was paid in full on November 19, 2015.

On January 1st 2016, NAC entered into consulting service agreements with two Company Directors. The term of each contract is two years ending on December 31st 2017. Consideration for the consulting services is \$7,500 + HST to be paid monthly. In the sole discretion of the Company, the Company may choose to pay the consulting fees, but not the HST, in common shares of the Company. Also, each consultant was granted stock 1,000,000 options for the purchase of common shares of the Company with an exercise price of \$0.15 for an exercise period of 3 years.

As at August 31, 2016, amounts due to directors totaled \$383,279. These amounts bore no interest and no repayment terms. These amounts were converted into shares in the 2017 fiscal year.

SUBSEQUENT EVENTS

On October 17, 2016 the Company entered into an executive employment agreement for the position of Chief Financial Officer. The CFO received 600,000 Common Shares in lieu of salary during the initial three months of the agreement. In addition, the Company granted the CFO 600,000 incentive stock options for the purchase of the Company's shares for an exercise period of 3 years and an exercise price consistent with the Company's stock option plan.

On October 24, 2016 \$400,000 of amounts due to Directors was settled with shares of the Company at a price of \$0.05 per share, for a total of 8,000,000 shares issued.

On November 17, 2016 the Company entered into an Asset Purchase Agreement with a major shareholder of the Company, to repurchase the leaseholds and substantially all of the assets, real and personal, tangible and intangible at the seller's facility located at 2571 A Quadra Street, Victoria, British Columbia. Total consideration for the assets purchased is \$250,000 consisting of paying the seller \$50,000 and issue of 2,000,000 common shares in capital of the Company. As a further consideration, in the event that the milestone of going public is achieved, the Buyer will pay to the Seller an additional amount of \$50,000.

On November 29, 2016 the Company borrowed \$300,000 from an unsecured lender at an interest rate on the principal at 5% per month for five months and at an interest rate of 2.5% per month for an additional two months with payment of interest and principal due in full on June 29th, 2017. The lender has agreed to receive payment of the interest in the equivalent amount of National Access Cannabis Corporation common shares. A total of 360,000 common shares will be issued to the lender for interest due on June 29th 2017. If repayment is delayed, beyond the due date a rate of 2.5% per month on the principal will apply.

On December 21, 2016 the Company entered into a Share Purchase Agreement with Wilson Master Apps Inc. (doing business as CannApply Medical Services) an Alberta Company with an office at 201, 5401 Temple Dr. NE, Calgary, AB. CannApply is a private company engaged in the business of operating clinics offering services to medical cannabis patients. CannApply currently operates out of four locations within the city of Calgary, AB. The Company acquired 100% of the issued securities of CannApply for a total consideration of \$600,000 payable in 1,300,000 common shares of the Company with a deemed value of \$0.25 per share and \$275,000 in cash with \$100,000 paid at closing. An additional amount of \$175,000 is due conditionally in the event the Company is acquired by a public company (an "RTO") on or before January 1, 2018. If the Company does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of CannApply.

Between September 28, 2016 and January 31, 2017 the Company closed several non-brokered private placements for aggregate gross proceeds of \$698,500 consisting of 3,860,666 units. Each unit is comprised of one special warrant. The special warrants were converted into common shares on May 31, 2017.

The Company has granted a total of 6,625,000 stock options to officers, directors, employees and consultants that remain outstanding as of May 31, 2017. Outstanding options have an exercise price between \$0.15 and \$0.25, having expiry dates ranging from June 7, 2019 to December 31, 2022.

On March 1st 2017, the Company received a loan of \$150,000 from a related party. On March 29th, 2017 the Company received an additional loan of \$100,000 from the same related party. Both loans are unsecured, bear interest at 5% per annum and are due July 31st, 2017.

On March 29, 2017 the Company entered into a letter of intent with Brassneck Capital Corp in respect of a proposed transaction pursuant to which the Company is expected to acquire Brassneck by way of reverse takeover (the "Acquisition"). It is currently anticipated that the Acquisition will occur as a merger, amalgamation or share exchange, the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both NAC and Brassneck. Upon completion of the Acquisition, the combined entity (the "Resulting Issuer") will continue to carry on the business of NAC. It is expected that upon completion of the Acquisition, the Resulting Issuer will meet the Initial Listing Requirements for a Tier 2 Life Sciences issuer under the policies of the TSX Venture Exchange.

NAC completed a private placement financing of convertible notes ("Convertible Notes") for aggregate gross proceeds of \$1,000,000 on April 11, 2017. The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC ("NAC Shares") at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the Exchange. The proceeds of the Convertible Notes will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer's future growth plans.

Risks Related to our Business

The Company is exposed to numerous risks and uncertainties as described below. These risks and uncertainties, together with all of the other information in this management's discussion and analysis, and the accompanying financial statements, should be carefully considered. The risks and uncertainties described below are not the only risks the Company could face. The risks described below could materially and adversely affect business, financial condition, results of operations and future prospects. Additional risks and uncertainties that we are unaware of, or that we currently view as not material, may also become important factors that could adversely affect our business.

NAC operates in a new and highly competitive industry that faces significant regulation. The cannabis industry in Canada is very competitive and developing rapidly. As new risks emerge, management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements.

NAC's ability to grow a corporate model of clinics and retail outlets and its ability to retail medical cannabis in Canada will depend on the Company being granted distribution and operating licenses from Federal, Provincial and Municipal levels of government in Canada. Inability to obtain licenses or failure to comply with the requirements of licenses, if obtained, or any failure to maintain a license would have a material adverse impact on the business, financial condition and operating results of NAC. The cannabis industry is subject to extensive controls, compliances and regulations that could significantly affect the financial condition of market participants. Many factors that are beyond NAC's control and which cannot be predicted, such as changes to government regulations, legislation, enactments and bylaws could reduce NAC's earnings and could make future capital investments or NAC's operations uneconomic.

In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, a business distributing cannabis as a regulated medical and consumer product, NAC will need to build brand awareness in the new industry and market through significant investments in its strategy, quality assurance, and compliance with regulations. These activities may not promote the NAC brand and products as effectively as intended, or at all. This new market and industry into which management is entering will have competitive conditions, consumer tastes, patient requirements and unique circumstances.

Executing on the business objectives stated in this management discussion and analysis are contingent, in part, upon compliance with regulatory requirements enacted by said governmental authorities and obtaining all regulatory approvals for the sale of cannabis-based products and applicable patient services. Any delay in obtaining, or failure to obtain regulatory approvals would significantly delay the development of corporate objectives and could have a material adverse effect on the Company's business and financial condition.

LIQUIDITY

The Company requires a ready source of cash to meet its operating expenses, fund research and development and expand its business. As at the date of this MD&A the company had negative working capital and lacked sufficient cash to fund ongoing operations. NAC also has entered into future commitments that require funding in addition to operating expenses.

ADDITIONAL FINANCING

NAC requires additional financing to fund operations and remain a going concern. There can be no assurance that such financing will be available on reasonable terms, or at all. If additional financing is obtained it could entail material dilution of the Company's equity. The assumption of debt, if available, involves additional risk to the Company and its equity. If additional financing is not available NAC may be required to curtail its activities and may not be able to continue in business.

NEGATIVE CASH FLOW AND ABSENCE OF PROFITS

The Company has incurred significant losses and has not been able to generate profits or positive cash flow. There are no assurances that the Company will earn profits or generate positive cash flow in the future. Without sustainable positive cash flow and profits there can be no assurances that the Company will be able to continue as a going concern and remain in business.

NEED TO ENHANCE MANAGEMENT SYSTEMS

The current lack of financial resources could put a strain on management systems and internal controls. In the event that the Company does obtain additional financing, and if the recent growth in revenue continues, additional personnel and other resources may be required that could put further strain on management systems and internal controls. There can be no assurances that the Company will be able to effectively manage such growth. A failure of management systems or internal controls could have a material adverse effect the Company, its business, operating results, and financial condition.

CLIENT ACQUISITION & RETENTION

The Company anticipates continued client acquisition growth at current and future corporate locations. If securing such clients is not possible, the Company, its business, operating results and financial condition could be materially and adversely affected.

FAILURE TO MANAGE GROWTH SUCCESSFULLY

Future growth will place additional demands on the Company's financial, managerial and operations resources. If growth is not managed effectively it could have a material adverse effect on the Company's financial condition and results of operations.

LIMITED OPERATING HISTORY

NAC was founded in November 2014 and has been focused on developing our network of medical cannabis caregiver clinics throughout Canada. Strategic plans include the development of a distribution and retail model of cannabis working within regulations at the Federal, Provincial and Municipal levels. There is only a limited operating history upon which to base an evaluation of the Company, its business and future prospects. Given the limited history of revenue and the absence of regular cash flow or profit, the Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by early stage businesses in new and rapidly evolving markets. There can be no assurance that NAC will be successful.

LITIGATION

Medi-Venture Litigation: pursuant to the acquisition of CannApply Medical Services, Ltd., CannApply, a wholly-owned subsidiary of the Company, faces a statement of claim filed on March 29, 2016 with the Court of Queen's Branch of Alberta by Medi-Venture Corp. of Calgary, Alberta. While the Company does not believe that this claim will have a material adverse effect in its financial condition or operations, an unfavorable ruling could occur.

Management is not aware of any other current or pending litigation against the Company outside of the Medi-Venture litigation. Disputes that cannot be resolved may result in future litigation and such litigation may have a material adverse effect on the Company, its business, operating results, and financial condition.

Financial Instruments

FAIR VALUE

IFRS requires that NAC disclose information about the fair value of our financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

NAC's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and other payables due to directors. We estimate that the fair value of these financial instruments approximate their carrying values due to the relatively short periods to maturity of these instruments. Additional financial instrument information is disclosed in note 15 of the audited financial statements for the year ended August 31, 2016, filed on SEDAR at www.sedar.com and incorporated herein by reference.

Changes in Accounting Policies and Estimates

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

IAS 1 'Presentation of Financial Statements' was amended by the IASB in December 2014. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 1 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' were amended by the IASB in May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 16 and 38 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IFRS 9 'Financial Instruments: Classification and Measurement' - as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial

liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing the impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IFRS 15 'Revenue from contracts with customers' was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 15 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IFRS 16 'Leases' replaces IAS 17 'Leases', and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the consolidated statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retrospective application and with early adoption permitted. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

Management Discussion and Analysis

The following discussion of National Access Cannabis Corporation's (NAC, the Company) financial condition and results of operations should be read in conjunction with the unaudited interim financial statements for the three and nine months ended May 31, 2017. In addition, this management's discussion and analysis (MD&A) should be read in conjunction with the Company's MD&A and the audited financial statements for the year ended August 31, 2016. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). All dollar amounts referred to in this MD&A are Canadian dollars. The NAC Board of Directors approved the content of this MD&A on August 25, 2017.

Cautionary Note Regarding Forward-Looking Statements

This MD&A consists partially of forward-looking statements about NAC, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, dependent on, or refer to, future events or conditions and utilize words such as 'hopes', 'expects', 'anticipates', 'intends', 'plans', 'believes' or negative versions thereof, and similar expressions. Any statements that may be made concerning future financial performance, ongoing business strategies, goals, objectives or prospects, and possible future action on NAC's part, are also forward-looking statements that reflect the Company's beliefs based on information currently available and on assumptions that we believe are reasonable. These assumptions include, but are not limited to; our ability to predict market demand for our products and services, the eventual passing of relevant legislation at the Canadian Federal, Provincial and Municipal levels allowing legal dispensing of cannabis and cannabis-related products, and changes in the competitive environment that NAC operates in.

NAC's business operations are subject to regulations by governmental authorities. Implementing certain business objectives stated in this MD&A are contingent, in part, upon compliance with regulatory requirements enacted by governmental bodies and obtaining regulatory approval for the sale of cannabis-based products and applicable patient services. Any delay in obtaining, or failure to obtain regulatory approvals would significantly delay development of corporate objectives and could have a material adverse effect on NAC's business and financial condition. Currently, possession of cannabis other than for medical use, and store front sale of medical or other cannabis both contravene the Controlled Drugs and Substances Act and its regulations.

For more information, please see the discussion on the principal risks that could affect our results under the section "Risks Related to our Business", beginning on page 11 of this MD&A. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from the conclusions, forecasts, or projections anticipated in these forward-looking statements. As such, the reader is cautioned to consider these risks, uncertainties, and assumptions, as well as other factors carefully, and should therefore not place undue reliance on forward-looking statements.

Forward-looking statements are made in this MD&A to describe management's expectations and assist shareholders in understanding our financial position. Readers are cautioned that the forward-looking statements presented in this MD&A may not be appropriate for other purposes. We are under no obligation (and expressly disclaim any obligation) to update or alter the forward-looking statements as a result of new information, future events, or other developments, unless specifically required by applicable securities legislation. The Company's forward-looking statements are made only as of the date of this MD&A, and except as required by applicable law, NAC undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events, or circumstances.

Business and Strategy

The Company was incorporated in British Columbia on November 12, 2014. The Company, through its wholly-owned, privately held subsidiary, National Access Canada Corp., operates branded alternative health caregiver clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, and Ontario, which assist patients to learn about the new medical cannabis therapies, provide guidance on how to take this medicine and obtain prescriptions. Clinics link patients with physicians who conduct an assessment to determine if cannabis is the right form of treatment. The clinics are for educational purposes and are a place where people in the community can feel comfortable being informed about health issues. Each location is staffed with health and wellness professionals dedicated to educating and guiding patients through the process of seeking medical cannabis. NAC's management expertise and industry knowledge allows it to streamline the process for accessing medical cannabis for a wide range of medical and therapeutic conditions. The Company is a new kind of business devoted to improving patient quality of life by creating local alternative care and education centers in locations throughout Canada.

The Company's strategic business focus is on opportunities that increase both the continued management of existing corporate clinic locations, the future development of new corporate locations and the acquisition of existing businesses that are experiencing growth in the cannabis sector within Canada. NAC business plans include developing and operation of distinctive alternative health care centres providing medical cannabis information, education, supply assistance and medical liaison services to its clients. NAC provides compassionate guidance and expertise to its patients and occupies a critical role between licensed producers and patients.

In addition to the Company's current core business operations, NAC is seeking to become a model for legalized safe distribution of cannabis and cannabis products throughout Canada. NAC is prepared to react quickly to legislative changes relating to regulation of cannabis in Canada. The Government of Canada has committed to ending prohibition and regulating production of adult use cannabis, with the provincial and local governments having a role in regulating storefront sale of cannabis. The Final Report of the Task Force on Cannabis Legalization and Regulation to the Government of Canada includes recommendations regarding storefront distribution. If Federal and Provincial legislation allow the sale of cannabis through storefront locations, NAC will pursue licensing to open medical and recreational storefronts throughout Canada.

NAC's market opportunity is driven by the simultaneous expansion of the Canadian medicinal cannabis program pursuant to the Access to Cannabis for Medical Purposes Regulations (ACMPR) and the anticipated adult use legalization in July 2018. Dundee Capital Markets estimated that there will be over 480,000 registered medical cannabis patients by 2021 representing over \$1.7 billion in medical cannabis product sales. Deloitte's 2016 report (Recreational Marijuana | Insights and Opportunities) contained a survey on market size with results showing 22% of Canadians currently consume recreational cannabis (excluding medical) with a further 17% potentially willing to try it if it were legal. The Deloitte report estimates the base recreational retail market could be between \$4.9 billion and \$8.7 billion, with the potential upside of the total ancillary market greater than \$20 billion.

As cannabis patient growth continues to accelerate, the regulatory challenge will be to implement a distribution model that works best economically while maintaining socially responsible consumption. With locations in six provinces, NAC is well-positioned to tailor any potential approach to the store front sale of cannabis in a safe and controlled distribution model.

Despite the regulated mail order environment mandated by Health Canada and promulgated by the licensed producers, most Canadians consuming medical cannabis prefer the convenience of a dispensary storefront model, where they receive education and guidance on treatment in addition to their prescribed cannabis. This presents a unique opportunity for a professionally managed legal retail alternative. In addition, the upcoming legalization of recreational cannabis in Canada will create a vast market providing NAC with an excellent

opportunity to expand operations into the legal adult use space as well as medical dispensing. The goal is to participate in and profit from activities in the retail and education sectors of the medical and adult use cannabis industry.

In its report to Parliament, the Federal Marijuana Task Force on the legalization of marijuana made suggestions regarding dedicated storefronts that do not currently sell alcohol or tobacco in addition to a comprehensive patient and consumer education strategy. NAC is perfectly positioned, with its nationwide chain of locations, to benefit from both upcoming changes to medical distribution, as well as the adult use legalization of cannabis to occur within the next year.

The Company's current active business model results in several distinct sources of revenue consisting of administration fees, educational grants, and merchandise sales.

Administration & Membership Fees: NAC patients receive a NAC branded 'Access Card' confirming their status as a legal medical cannabis patient, in addition to in-depth education sessions, access to NAC events, discounted merchandise as well as medication order transmission to licensed producers.

Educational Grants: after diagnosing a patient's cannabis strain requirements, NAC caregivers assist the patient in selecting an appropriate licensed producer to purchase medication. In some cases, NAC receives an educational grant from Licensed Producers (LPs) for this service provided.

Merchandise Sales: NAC sells branded products and accessories through its clinic locations. Inventory consists of instruments used by patients to help prepare and administer prescribed medical cannabis.

Reverse Take-Over Transaction

Brassneck Capital Corp. (TSXV: BC.P) (or BCC) and National Access Cannabis Corp. ("NAC" or the Company) entered into an amalgamation agreement dated July 10, 2017 ("Amalgamation Agreement") between the BCC, NAC and 1119622 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of BCC, which will result in a reverse takeover of BCC by NAC (the "Proposed Transaction") in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Proposed Transaction the combined entity (the "Resulting Issuer") will continue to carry on the business of NAC. Pursuant to the terms of the Amalgamation Agreement, completion of the Proposed Transaction will be subject to a number of conditions, including but not limited to: closing conditions customary to transactions of the nature of the Proposed Transaction, completion or waiver of sponsorship, requisite shareholder approvals including the approval of the holders of common shares of NAC for the Proposed Transaction, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, and approval of the TSXV including the satisfaction of its initial listing requirements. There can be no assurance that the Proposed Transaction will be completed as planned, or that it will necessarily be completed at all. Upon completion of the Acquisition, the combined entity (the "Resulting Issuer") will continue to carry on the business of NAC. It is expected that upon completion of the Acquisition, the Resulting Issuer will meet the Initial Listing Requirements for a Tier 2 Life Sciences issuer under the policies of the TSX Venture Exchange (the "Exchange").

Brassneck is incorporated under the laws of the Province of Alberta and has a head office in Calgary, Alberta. The Corporation is a "capital pool company" under the policies of the Exchange and it is intended that the Acquisition will constitute the "Qualifying Transaction" ("QT") of the Corporation, as such term is defined in Exchange Policy 2.4 - Capital Pool Companies. The Corporation is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario.

NAC completed a private placement financing of convertible debentures ("Convertible debentures") for aggregate gross proceeds of \$1,000,000 on April 11, 2017. The holders of Convertible debentures will be paid

interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible debentures provide that immediately prior to completion of the Acquisition, the Convertible debentures will convert into common shares of NAC ("NAC Shares") at a 20% discount to the Concurrent Financing Price (as defined below), subject to approvals from the exchange. The proceeds of the Convertible debentures will be used for general working capital and, upon completion of the Acquisition, the Resulting Issuer's future growth plans.

The Company executed an engagement letter with PI Financial Corp. and Canaccord Genuity Corp, as co-lead agents in connection with a Concurrent Private Placement on March 29, 2017. On July 10, 2017, the Concurrent Private Placement was completed, with the Company selling 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt resulting in gross proceeds to the Company of \$6,000,000. Each Subscription Receipt will be automatically exchanged immediately prior to the completion of the Proposed Transaction for one common share of the Company upon satisfaction of certain escrow release conditions. Each share of the Company will be exchanged for one common share of Brassneck in accordance with the terms of the Proposed Transaction. Under the terms of the Agency Agreement, on the closing of the Proposed Transaction, the Agents will receive a commission of \$240,000 payable in cash. The Agents will also be granted 960,000 warrants by NAC ("Agent's Warrants") to acquire that number of Resulting Issuer common shares exercisable at a price of \$0.25 per Resulting Issuer common share, for a period of 24 months from the closing date of the Concurrent Private Placement.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Concurrent Private Placement, the satisfaction of the Corporation and NAC in respect of the due diligence investigations to be undertaken by each party, the completion of a Definitive Agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance of the Acquisition as the Qualifying Transaction of Brassneck and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained, and there can be no guarantee that the Acquisition will be completed as proposed, or at all.

BOARD OF DIRECTORS & MANAGEMENT

Upon Completion of the Qualifying Transaction, the board of directors of the Resulting Issuer will consist of Chuck Rifici, Rocco Meliambro, Dr. John Gillis, Jeff Hunt and, Marc Lustig. Mark Goliger will be appointed CEO, Michael Best will be appointed CFO, Derek Ogden will be appointed President and Michael Saliken will be appointed Corporate Secretary of the Resulting Issuer.

To help achieve aggressive growth objectives, the Company added key personnel in the quarter ended May 31, 2017. On March 25, 2017, the Company announced that Mark Goliger joined the executive leadership team as Chief Executive Officer. Mr. Goliger has extensive management experience in both the franchise and healthcare industries in Canada. On May 1, 2017 NAC hired Jean-Guy Bourguignon as Vice-President of National Operations and François Halle as Vice-President of Medical Science and Clinical Affairs. Both Mr. Bourguignon and Mr. Halle will perform the services related to managing all Company clinic operations overseeing the conduct of marketing campaigns, media releases, political presence and clinical and contribute to the strategic business planning and decisions of the Company. As seasoned business leaders, together they will bring to the Company proven experience in both building and leading rapidly growing organizations, as well success in marketing and sales within the medical cannabis sector. These strong additions to the Company's executive leadership team will enable the existing business to continue to experience rapid growth, while executing strategic partnerships and acquisitions.

Results

\$	Three Months Ended		Nine Months Ended	
	31/May/17	31/May/16	31/May/17	31/May/16
Total revenue	\$363,581	\$99,846	\$791,343	\$185,469
Cost of goods sold	(145,816)	(30,919)	(314,472)	(94,893)
Gross margin	217,765	68,927	476,871	90,576
Office and general administrative expenses	(1,632,519)	(354,025)	(3,055,373)	(761,845)
Sales and marketing expenses	(106,795)	(25,830)	(188,851)	(52,799)
Amortization	(94,335)	(28,922)	(266,191)	(86,126)
Net comprehensive (loss)/income for the period	(\$1,615,884)	(\$339,850)	(\$3,033,544)	(\$810,194)
Earnings (Loss) per share - basic and diluted	(0.03)	(0.01)	(0.06)	(0.02)
Deficit, at end of period	(\$4,872,118)	(\$1,306,127)	(\$4,872,118)	(\$1,306,127)

RESULTS OF OPERATIONS

The net comprehensive loss for the three months ended May 31, 2017 was \$1,615,884 or \$0.03 per share versus a net comprehensive loss of \$339,850 or \$0.01 per share in the third quarter of 2016.

The increase in loss for the quarter was primarily attributable to; expenditures required for the continued expansion of NAC operations, hiring of additional administrative and executive personnel, share-based compensation payments, and costs associated with the preparation for the Qualifying Transaction (RTO) with Brassneck Capital Corp. and subsequent listing on the TSXV.

The Company had a net comprehensive loss for the nine months ending in May 31, 2017 of \$3,033,544 or \$0.06 per share, versus the loss during the same period of \$810,194 or \$0.02 per share in 2016. The reason for the higher losses in the nine-month period is consistent with the reasons for the higher losses in the three-month period above.

Some of the significant changes are as follows:

- Salaries and benefits during the three and nine months ended May 31, 2017 were \$925,309 and \$1,470,754, compared to the three and nine months ended May 31, 2016 of \$105,203 and \$217,310. The Company had 43 full-time equivalent (FTE's) and ten locations in operation as of May 31, 2017 versus 15 FTE's as of May 31, 2016 and one clinic in operation. Included in this expense classification is share-based compensation (a non-cash expense) of \$462,404 and \$646,218 for the three and nine-months ended May 31, 2017, whereas these expenses were nil and nil in 2016.
- Total share-based payments for the three-month period ended May 31, 2017 were \$524,459 versus \$45,000 in the three months ended May 31, 2016. In the nine-month period ending May 31, 2017 share-based payments were \$798,272 versus \$75,000 in the nine months ended May 31, 2016. Share-based payments were granted by direct issuance of Company shares or granting of stock options to executives, directors, employees, and consultants for services rendered and contributions to the Company during its developmental and expansion stages.

- Professional Fees during the three and nine months ended May 31, 2017 were \$381,829 and \$744,897 compared to the three and nine months ended May 31, 2016 of \$92,780 and \$242,787. As a result of expansion initiatives and preparation to list on the TSXV, the Company incurred significantly higher legal, audit and consultant fees.

The Company has incurred losses in recent periods and anticipates continued losses as it implements initiatives to continue to grow its business. However, NAC is a relatively new organization that has been expanding rapidly. As such, losses incurred to date are primarily due to growing the business and associated infrastructure, and will ultimately serve to benefit the Company and its clients going forward.

NAC remains focused on client acquisition and will continue with aggressive expansion efforts in pursuit of this goal. The Company does not anticipate generating operating profits in the near term. NAC plans to expand its clinic operations to all economically viable locations in Canada. Planned expansion strategies include; developing additional corporate locations, seeking acquisition opportunities and providing additional services and activities surrounding the medical cannabis industry. The Company is currently planning the development of additional locations with partners in strategic regions and provinces throughout Canada. NAC has established partnerships in areas where local and regional participation will provide mutually advantageous benefits that the Company would have difficulty achieving on its own. NAC will continue to explore partnerships that improve the brand and NAC's profitability. Future activities will require funding through additional equity financings, loans, or through the development of business partnerships.

Aggressive expansion has continued into fiscal year 2017, including the opening of four additional corporate clinics and acquisition of an additional four locations. In October 2016, the Company established a clinic in Toronto, and in November 2016 opened its first location in the Maritimes: Halifax, Nova Scotia. Furthermore, NAC opened a location in Saskatoon, Saskatchewan in January 2017, and a location in Winnipeg, Manitoba in March 2017.

In October 2016, the Company entered into a letter of intent to acquire 100% of Wilson Mater Apps (dba CannApply Medical Services, Ltd.), a privately held company based in Calgary, Alberta in the business of operating clinics that offer services to medical cannabis patients. On December 23rd, 2016, NAC completed the acquisition of CannApply and inherited four key locations in Calgary, with over 3,800 registered patients for the use of its services in acquiring medical cannabis from licensed producers, as well as 10 dedicated caregivers providing cannabis related information and guidance. CannApply now operates as a wholly-owned subsidiary of NAC.

REVENUE

Revenue for the three months ended May 31, 2017 was \$363,581 versus \$99,846 in the same period in the prior year. Revenues for nine months ended May 31, 2017 were \$791,343 versus \$185,469 for the nine months ended May 31, 2016. Revenue growth is attributable to newly opened locations in fiscal year 2017, and the CannApply acquisition on December 23, 2016. Revenues are expected to continue to increase as the Company acquires new patients at each of its ten active locations.

GROSS PROFIT

Gross Profit for the three months ended May 31, 2017 was \$217,765 versus \$68,927 in the same period in the prior year. Gross Profit for nine months ended May 31, 2017 was \$476,871 versus \$90,576 for the nine months ended May 31, 2016.

FINANCING ACTIVITIES

For the nine months ended May 31, 2017 NAC generated \$2,125,566 from financing activities versus \$272,800 for the nine months ending May 31, 2016. This includes net equity raised through the issuance of share capital and special warrants of \$923,500.

On November 29th, 2016, the Company borrowed \$300,000 from an unsecured lender at an interest rate on the principal at 5% per month for five months, and at an interest rate of 2.5% per month thereafter. The lender has agreed to receive payment of the interest in the equivalent amount of NAC Corp. common shares for interest earned up to June 29th, 2017. A total of 360,000 common shares were issued to the lender on July 14, 2017. An interest rate of 2.5% per month on the principal will apply for interest earned after June 29th, 2017, up to the date the principal is repaid.

On March 1st, 2017, the Company received a loan of \$150,000 from a related party. On March 29th, 2017, the Company received an additional loan of \$100,000 from the same related party. Both loans are unsecured, with bear interest at 5% per annum. Principal and interest are due no later than September 26, 2017.

On April 10, 2017 NAC completed a private placement financing of Convertible debentures for gross proceeds of \$1,000,000 (net \$969,900 after finder fees and banking charges). The holders of Convertible debentures will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible debentures provide that immediately prior to completion of the Acquisition, the Convertible debentures will convert into common shares of NAC at a 20% discount to the Concurrent Financing Price or 5,000,000 shares. For its services brokering the Convertible Note Offering, PI Financial Corp. received 150,000 Agents Convertible Note Warrants to purchase NAC Shares. The terms of the Agents Convertible Note Warrants provide that the broker may acquire NAC Shares at an exercise price of \$0.20 per NAC Share at any time up until April 11, 2019.

The Company has allocated the proceeds from issuance between the estimated fair value of equity and debt components using an effective interest rate for the debt component of 20%, which resulted in valuing the debt at \$952,380. The equity component of the instrument is valued at \$47,619. The Company incurred \$30,100 in transaction costs for the issuance of these convertible debentures. \$28,667 of the transaction costs were allocated to the debt component and the remaining \$1,433 being allocated to the equity component.

On July 5, 2017, the Company borrowed \$200,000 from an unsecured lender at an interest rate on the principal at 5% per month for a period of up to 75 days. Principal and interest are due no later than September 15th, 2017.

INVESTING ACTIVITIES

For the nine months ended May 31, 2017 NAC allocated \$844,634 in cash to investing activities versus \$17,082 for the nine months ended May 31, 2016. Investment expenditures in the period were primarily for purchase of CannApply, leasehold improvements, as well as furniture and equipment required for new corporate locations.

EXPENSES

Advertising & Marketing

For the three-month period ended May 31, 2017 the Company incurred advertising and marketing expenses of \$106,795 versus \$25,830 in the nine months ended May 31, 2016.

In the nine-month period ending May 31, 2017 advertising and marketing expenses were \$188,851 versus \$52,799 in the nine months ended May 31, 2016. The increase in costs are primarily due to the hiring of the branding company One Method to help NAC develop various branding and marketing strategies. Printing of marketing and educational materials, attendance of tradeshow and advertising costs also contributed to increases in advertising and marketing expenses.

Office, General and Administrative Expenses

\$	Three Months Ended				Nine Months Ended			
	31/May/17	%	31/May/16		31/May/17	%	31/May/16	%
Legal & professional fees	381,829	23%	92,780	26%	744,897	24%	242,787	32%
Management Fees	41,142	3%	75,349	21%	150,033	5%	137,849	18%
Salaries & benefits	925,309	57%	105,203	30%	1,470,754	48%	217,310	29%
Travel	56,821	3%	12,980	4%	107,869	4%	22,195	3%
Rent & utilities	113,956	7%	40,569	11%	305,127	10%	73,375	10%
Office expenses	58,243	4%	13,959	4%	150,125	5%	42,626	6%
Interest & bank charges	45,234	3%	1,860	1%	99,624	3%	5,282	1%
Other	9,985	1%	11,325	3%	26,944	1%	20,421	3%
Total	\$1,632,519	100%	\$354,025	100%	\$3,055,373	100%	\$761,845	100%

In the quarter ended May 31, 2017 NAC incurred expenses of \$1,632,519 versus \$354,025 in the second quarter ended May 31, 2016.

In the nine-month period ended May 31, 2017 NAC incurred expenses of \$3,055,373 versus \$761,845 in the nine months ending May 31, 2016.

The increase from comparable periods is due the continued growth in corporate locations, hiring of additional managerial and administrative staff, development of stated business objectives, and costs associated with the preparation for the Qualifying Transaction (QT) with Brassneck Capital Corp. NAC expects that expenses will continue to increase as operations expand to new locations and as the Company acquires and integrates compatible businesses and technologies. The Company's expenses are expected to continue increasing at a greater pace than revenues for the remainder of the current fiscal year.

Legal and professional fees during the three and nine month ended May 31, 2017 were \$381,289 and \$744,897 compared to the three and nine months ended May 31, 2016 of \$92,780 and \$242,787. These fees were incurred due to legal and audit work required for the QT, general corporate matters, government, and investor relations, including lobbying efforts at the Federal, Provincial, and Municipal levels, as well as other costs associated with the expansion of new corporate locations.

During the three and nine months ended May 31, 2017, the Company incurred expenses of \$41,142 and \$150,033 compared to the three and nine months ended May 31, 2016 of \$75,349 and \$137,849 for Management fees provided by the Company's CEO, COO and other individuals providing various management services.

Salaries and benefits in the three and nine months ended May 31, 2017 were \$925,309 and \$1,470,754 compared to the three and nine months ended May 31, 2016 of \$105,203 and \$217,310. The notable increase is due to hiring of staff to support the Company's expanding network of clinic locations and additions to the NAC executive team. The Company employed 43 FTEs as of May 31, 2017 versus 15 FTEs as of May 31, 2016. Included in this expense classification is share-based compensation expenses (a non-cash expense) of \$462,404 (50% of the total for the three-month period) and \$646,218 (44% of the total for the nine-month period) for the three and nine-months ended May 31, 2017, which were nil and nil in 2016.

Travel expenses during the three and nine month ended May 31, 2017 were \$56,821 and \$107,869 compared to the three and nine months ended May 31, 2016 of \$12,980 and \$22,195. Travel expenses increased as management travelled to new Company locations to oversee construction and hire staff. Travel expenses also grew as management continued to seek potential business acquisitions and expansion opportunities.

Rent and utilities during the three and nine months ended May 31, 2017 were \$113,956 and \$305,127 compared to the three and nine months ended May 31, 2016 of \$40,569 and \$73,375. Lease payments have increased due to the addition of eight new clinic locations over the past year.

Office expenses during the three and nine months ended May 31, 2017 were \$58,243 and \$150,125 compared to the three and nine months ended May 31, 2016 of \$13,959 and \$42,626. The Toronto, Halifax, Saskatoon and Winnipeg and Calgary locations began incurring office expenses in fiscal 2017. Additional office expense outlays were required to prepare for clinic openings and provide for ongoing operations at the new locations.

Interest and bank charges during the three and nine months ended May 31, 2017 were \$45,234 and \$99,624 compared to the three and nine months ended May 31, 2016 of \$1,860 and \$5,282. The increase in interest and bank charges for the three and nine months ended May 31, 2017 is primarily due to \$82,500 interest accrued on an outstanding \$300,000 note payable. The lender has agreed to receive payment of the interest in the equivalent amount of National Access Cannabis Corporation commons shares for interest earned up to June 29th, 2017.

SHARE-BASED COMPENSATION EXPENSES

During the three and nine months ended May 31, 2017, the Company recognized \$524,459 and \$798,272 in NAC shares, compared to the three and nine months ended May 31, 2016 of \$45,000 and \$75,000 in share-based compensation.

Share-based compensation was provided to executives, consultants, directors, and employees through the direct issuance of shares for services rendered or via the granting of stock options.

A total of 2,660,000 shares were issued directly to executives, consultants, directors, and employees during the nine months ended May 31, 2017. Total expenses recognized for the issuance of the shares was \$590,242.

Expenses related to options issued during the nine months ended May 31, 2017 was \$208,030. No options were granted during the comparable periods in fiscal year 2016.

The Company granted the CEO an aggregate of 500,000 options at an exercise price of \$0.00001 in connection with his appointment on March 25, 2017. All 500,000 options were exercised during the three months ended May 31, 2017. An expense of \$ 124,995 accrued in contributed surplus and was transferred to share capital upon issuance of the shares. Share-based compensation for the issuance of options are valued using the Black-Scholes valuation model and represents a non-cash expense.

Balance Sheet

\$	As at	
	31/May/17	31/Aug/16
Total assets	3,231,414	1,675,195
Total liabilities	2,532,336	651,760
Share capital	5,284,606	1,534,109
Contributed surplus	240,404	32,374
Deficit, at end of period	(4,872,118)	(1,838,574)

TOTAL ASSETS

Total assets were \$3,231,414 on May 31, 2017 versus \$1,676,195 by August 31, 2016. The increase in total assets is primarily due to the increase in cash, account receivables, property and equipment, intangible assets, and goodwill. The addition of new locations in Halifax, Toronto, Winnipeg, and Saskatoon, the repurchase of the Victoria location, and the acquisition of CannApply operations in Calgary were the primary contributors to the increase in non-current assets.

TOTAL LIABILITIES

Total liabilities increased to \$2,532,336 at May 31, 2017 versus \$651,760 on August 31, 2016 due to increases in accounts payable, deferred revenues and notes payable.

On April 10, 2017 NAC completed a private placement financing of convertible debentures for net proceeds of \$969,900. The Company has allocated the proceeds from issuance between the estimated fair value of equity and debt resulting in \$923,714 being recognized as a current liability. The terms of the Convertible debentures provide that immediately prior to completion of the Acquisition, the convertible debentures will convert into common shares of NAC.

Accounts payable increased to \$892,151 at May 31, 2017 versus \$206,743 on August 31, 2016. The increases are primarily due to higher outstanding payables for consulting, legal, and audit fees incurred for services related to the upcoming Qualifying Transaction. Additional payables of \$175,000 and \$50,000 are due to the former owners of CannApply and the former owner of the Victoria location respectively, upon the Company completing the Qualifying Transaction.

On November 29, 2016, the Company borrowed \$300,000 from an unsecured lender at an interest rate on the principal at 5% per month for five months and at an interest rate of 2.5% per month thereafter. The lender has agreed to receive payment of the interest in the equivalent amount of NAC Corp. common shares for interest earned up to June 29, 2017. A total of 360,000 common shares were issued to the lender on July 14, 2017. An interest rate of 2.5% per month on the principal will apply for interest earned after June 29, 2017, up to the date the principal is repaid.

On March 1, 2017, the Company received a loan of \$150,000 from a related party. On March 29, 2017, the Company received an additional loan of \$100,000 from the same related party. Both loans are unsecured, with bear interest at 5% per annum. Principal and interest are due no later than September 26, 2017.

The \$383,279 due to directors as of August 31, 2016 was converted to NAC common shares thereby decreasing current liabilities by this amount.

Capital Resources and Liquidity

The financial statements are prepared by management in accordance with IFRS on a going concern basis, which assumes that NAC will be able to continue to operate for the foreseeable future. However, the reader is advised to carefully read the following section regarding working capital as well as the section referring to risks related to our business, with an emphasis on the section dealing with additional financing. The reader is also advised to review the discussions of credit risk and liquidity risk (Note 17) of the accompanying financial statements.

NAC has incurred losses since incorporation and as at May 31, 2017, the Company had an accumulated deficit of \$4,872,118 (August 31, 2016: \$1,838,574). The Company's ability to meet continued success is dependent on its ability to obtain additional financing, including its ability to achieve profitable operations. There can be no assurances that the Company will be able to secure additional financing or that it will become profitable on a consistent basis. These conditions result in a material uncertainty that may cast significant doubt about the Company's ability to continue to succeed.

WORKING CAPITAL

The Company had a working capital deficiency of \$1,697,113 as on May 31, 2017 versus a deficiency of \$356,627 as at August 31, 2016. Expenditures incurred for the rapid expansion of the Company over the last nine months and costs associated with the QT primarily account for the notable increase in working capital deficiency.

Current assets increased to \$822,569 at May 31, 2017 from \$279,208 at August 31, 2016 primarily as a result of an increase in cash and receivables.

Current liabilities increased from \$635,835 at August 31, 2016 to \$2,519,682 at May 31, 2017. The significant increase in current liabilities is primarily due to; recognizing the liability allocation of the convertible debentures (\$923,714 in 2017 versus nil in 2016), an increase in the amounts of accounts payables (\$892,151 versus \$206,743 in 2016) and an increase in notes payable (\$382,500 May 31, 2017 versus nil in 2016).

On April 10, 2017 NAC completed a private placement financing of convertible debentures for gross proceeds of \$1,000,000 (net \$969,900 after finder fees and banking charges). The terms of the Convertible debentures provide that immediately prior to completion of the Acquisition, the Convertible debentures will convert into common shares of NAC at a 20% discount to the Concurrent Financing Price or 5,000,000 shares. The Company has allocated the proceeds from issuance between the estimated fair value of equity and debt components using an effective interest rate for the debt component of 20%, which resulted in valuing the debt at \$923,714.

CASH USED IN OPERATIONS

	31/May/17	31/May/16
Net loss for period	(\$3,033,544)	(\$810,194)
Add charges to operations not requiring current cash payment	\$1,694,476	\$159,241
Changes in non-cash working capital balances related to operations	\$291,237	\$78,334
Cash used in operating activities	(\$1,047,831)	(\$572,619)

As the above demonstrates, charges to operations not requiring current cash payment increased due to equity-settled share based payments (\$1,223,526 versus \$Nil 2016), stock-based compensation for the fair value of options granted (\$208,030 versus \$75,000 2016), and depreciation and amortization (\$266,191 versus \$86,126 2016).

Changes in non-cash working capital balances related to operations were \$291,237 for the nine months ended May 31, 2017, compared to \$78,334 for the nine months ended May 31, 2016, primarily due to the change in accounts receivable and accounts payable.

Cash used in operating activities amounted to \$1,047,831 for nine months ended May 31, 2017 compared to \$572,619 for the same period in fiscal 2016.

RELATED PARTY TRANSACTIONS

Related parties include the Company's key management personnel, independent directors, and shareholders. Transactions with related parties were conducted in the normal course of operations and are measured at fair value, which is the amount of consideration established and approved by the related parties.

On October 24, 2016 \$400,000 of amounts due to directors was settled with shares of the Company at a price of \$0.05 per share, for a total of 8,000,000 shares issued.

On November 22, 2016 \$33,279 payable to a director was settled with shares of the Company at a price of \$0.15 per share, for a total of 221,860 shares issued.

On November 17, 2016, the Company entered into an Asset Purchase Agreement with a major shareholder of the Company, to repurchase the leaseholds and substantially all the assets, real and personal, tangible, and intangible at the seller's facility located at 2571 A Quadra Street, Victoria, British Columbia. Total consideration for the assets purchased is \$250,000 consisting of paying the seller \$50,000 and issue of 2,000,000 common shares in capital of the Company. As a further consideration, if the milestone of going public is achieved, the Buyer will pay to the Seller an additional amount of \$50,000.

On March 1, 2017, the Company received a loan of \$150,000 from a Company Director. On March 29, 2017, the Company received an additional loan of \$100,000 from the same Director. Both loans are unsecured and bear interest at 5% per annum. Principal and interest are due no later than September 26, 2017

Members of the Board of Directors and executive management team of the Company received compensation for consulting services and salaries. For the three and nine-month period ended May 31, 2017, the Company's expenses included \$303,725 (compared to \$111,000 for the period ended May 31, 2016) and \$684,384 (compared to \$202,500 for the period ended October 31, 2016) respectively for consulting fees and executive salaries.

During the period ended May 31, 2017, rent in the amount of \$27,000 was paid to a shareholder of the Company, and rent in the amount \$30,700 (\$29,995 for the period ended May 31, 2016) was paid to the immediate family of the same shareholder.

SUBSEQUENT EVENTS

On June 5, 2017, The Company reached an agreement with Alternate Health Corp. (AHI), an international medical cannabis company, to launch AHI's CanaCard Patient Management System in all NAC clinics across Canada. This agreement creates a base for further expansion for both the Company and AHI in the Canadian market. The CanaCard Patient Management System is a cloud-based platform that manages the end-to-end transactions involved with providing safe access to medical cannabis for patients across Canada. The database connects patients, certified doctors, and Licensed Producers with a complete set of patient management tools and ensures the secure storage of personal data, account balances, transactional volume, and research data. AHI will install the system in every NAC clinic across Canada and any new clinic the Company opens in the future. The Company will pay AHI a software set-up fee for each location. Revenues will be generated for both the Company and AHI from transaction fees charged on sales between patients and Licensed Producers of medical cannabis, compliant with Health Canada rules and guidelines for medical cannabis in Canada.

On July 5, 2017, the Company borrowed \$200,000 from an unsecured lender at an interest rate on the principal at 5% per month for a period of up to 75 days. Principal and interest are due no later than September 15, 2017.

On July 10, 2017, the Company entered into an amalgamation agreement with Brassneck Capital Corp. and 1119622 B.C. Ltd., a wholly-owned subsidiary of Brassneck Capital Corp. which will result in a reverse takeover of Brassneck by the Company (the "Proposed Transaction") in accordance with the policies of the TSX Venture Exchange. Upon completion of the Proposed Transaction, the combined entity (the "Resulting Issuer") will continue to carry on the business of National Access Cannabis Corp.

The Company executed an engagement letter with PI Financial Corp. and Canaccord Genito Corp, as co-lead agents in connection with a Concurrent Private Placement on March 29, 2017. On July 10, 2017, the Concurrent Private Placement was completed and the Company sold 24,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt, resulting in gross proceeds of \$6,000,000. Each Subscription Receipt will be automatically exchanged immediately prior to the completion of the Proposed Transaction for one common share of the Company upon satisfaction of certain escrow release conditions. Each share of the Company will be exchanged for one common share of Brassneck in accordance with the terms of the Proposed Transaction. Under the terms of the Agency Agreement, on the closing of the Proposed Transaction, the Agents will receive a commission of \$240,000 payable in cash. The Agents will also be granted 960,000 warrants by NAC ("Agent's Warrants") to acquire that number of Resulting Issuer common shares exercisable at a price of \$0.25 per Resulting Issuer common share, for a period of 24 months from the closing date of the Concurrent Private Placement.

On July 14, 2017, the Company issued 8,074,800 escrow performance shares held by Owen Bird Law Corporation in escrow and issued to various employees and consultants of the Company, to be released to and vest in the applicable directors, executives, employees, and consultants ("Performance Party") entitled to receive Performance Shares from time to time upon meeting certain pre-defined events and milestones in the Performance Escrow Agreement, specific to each Performance Party.

Additionally, on July 14, 2017 the Company issued 250,200 common shares with a fair value of \$0.25 per share to various employees and consultants of the Company. The individuals received the shares for meeting share-based compensation performance objectives outlined in their individual consultant contracts.

The Company entered into a loan agreement dated November 29, 2016, in the principal amount of \$300,000. On July 14, 2017, in consideration for the loan, the Company issued 360,000 common shares to the lender for payment of \$90,000 in interest accrued up to June 29, 2017. The principal remains outstanding and will earn interest at the rate of 2.5% per month until the loan is repaid.

On July 28, 2017, the Company received a secured bridge loan (the “Bridge Loan”) of \$225,000 from Brassneck Capital Corp. The proceeds from the Bridge Loan will be applied by the Company to fund general working capital. If the Proposed Transaction is not completed, the Bridge Loan will become payable in full on demand. The Bridge Loan will bear interest at the annual rate of 5%, calculated and payable monthly and will be evidenced and secured by a loan agreement, a promissory note, and a general security agreement with a subordinate charge security against all of the assets of the Company. The Bridge Loan will be repayable on September 30, 2017 and if the Proposed Transaction is completed on or before September 30, 2017, interest incurred on the Bridge Loan will not be payable by the Company.

On August 24, 2017, the Company entered into a Consulting Services Agreement with Paskwayak Business Development Corp. (“PBDC”), a related party and a major shareholder of the Company. The Company will issue to PBDC warrants (“performance warrants”) which will allow PBDC to purchase up to 6,000,000 shares of the Company at the discounted market price (as defined in TSX Venture Exchange Policy 1.1) per share, exercisable from the completion of the of the Qualifying Transaction with Brassneck Capital Corp., by the Company, expiring August 1, 2019. PBDC will earn performance warrants if certain milestones are met as defined in the Consulting Services Agreement.

Risks Related to our Business

The Company is exposed to numerous risks and uncertainties as described below. These risks and uncertainties, together with all the other information in this management's discussion and analysis, and the accompanying financial statements, should be carefully considered. The risks and uncertainties described below are not the only risks the Company could face, but could materially and adversely affect business, financial condition, results of operations and future prospects. Additional risks and uncertainties that we are unaware of, or that we currently view as not material, may also become important factors that could adversely affect our business.

NAC operates in a new and highly competitive industry that faces significant regulation. The cannabis industry in Canada is very competitive and developing rapidly. As new risks emerge, management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements.

NAC's ability to grow a corporate model of clinics and retail outlets, and its ability to retail medical cannabis in Canada will depend on the Company being granted distribution and operating licenses from Federal, Provincial, and Municipal levels of government in Canada. Inability to obtain licenses or failure to comply with the requirements of licenses or to maintain a license would have a material adverse impact on the business, financial condition, and operating results of NAC. The cannabis industry is subject to extensive controls, compliances and regulations that could significantly affect the financial condition of market participants. Many factors that are beyond NAC's control and which cannot be predicted, such as changes to government regulations, legislation, enactments, and bylaws could reduce NAC's earnings and could make future capital investments or NAC's operations uneconomic.

In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, a business distributing cannabis as a regulated medical and consumer product, NAC will need to build brand awareness in the new industry and market through significant investments in its strategy, quality assurance, and compliance with regulations. These activities may not promote the NAC brand and products as effectively as intended, or at all. This new market and industry into which management is entering will have competitive conditions, consumer tastes, patient requirements, and unique circumstances.

The ability to execute the business objectives stated in this MD&A is contingent, in part, upon compliance with regulatory requirements enacted by said governmental authorities, as well as obtaining all regulatory approvals for the sale of cannabis-based products and applicable patient services. Any delay in obtaining, or failure to obtain regulatory approvals would significantly delay the development of corporate objectives, which could have a material adverse effect on the Company's business and financial condition.

LIQUIDITY

The Company requires a ready source of cash to meet its operating expenses, fund research and development and expand its business. As at the date of this MD&A the company had negative working capital and lacked sufficient cash to fund ongoing operations. NAC also has entered into future commitments that require funding on top of operating expenses. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

ADDITIONAL FINANCING

NAC requires additional financing to fund operations and remain a going concern. There can be no assurance that such financing will be available on reasonable terms, or at all. If additional financing is obtained it could entail material dilution of the Company's equity. The assumption of debt, if available, involves additional risk to

the Company and its equity. If additional financing is not available NAC may be required to curtail its activities and may not be able to continue in business.

NEGATIVE CASH FLOW AND ABSENCE OF PROFITS

The Company has incurred significant losses and has not been able to generate profits or positive cash flow. There are no assurances that the Company will earn profits or generate positive cash flow in the future. Without sustainable positive cash flow and profits, there can be no assurances that the Company will be able to continue as a going concern and remain in business.

NEED TO ENHANCE MANAGEMENT SYSTEMS

The current lack of financial resources could put a strain on management systems and internal controls. In the event that the Company does obtain additional financing, and if the recent growth in revenue continues, additional personnel and other resources may be required that could put further strain on such management and control. There can be no assurances that the Company will be able to effectively deal with such growth. A failure of management systems or internal controls could have a material adverse effect the Company, its business, operating results, and financial condition.

CLIENT ACQUISITION & RETENTION

The Company anticipates continued client acquisition growth at current and future corporate locations. If securing such clients is not possible, the Company, its business, operating results, and financial condition could be materially and adversely affected.

FAILURE TO MANAGE GROWTH SUCCESSFULLY

Future growth will place additional demands on the Company's financial, managerial, and operations resources. If growth is not managed effectively it could have a material adverse effect on the Company's financial condition and results of operations.

LIMITED OPERATING HISTORY

NAC was founded in November 2014 and has been focused on developing a network of medical cannabis caregiver clinics throughout Canada ever since. Strategic plans include the development of a distribution and retail model of cannabis working within regulations at the Federal, Provincial, and Municipal levels. There is only a limited operating history upon which to base an evaluation of the Company, its business, and prospects. Given the limited history of revenue and the absence of regular cash flow or profit, the Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by early stage businesses in new and rapidly evolving markets. There can be no assurance that NAC will be successful.

LITIGATION

Wilson Master Apps Inc. (dba CannApply) has been named as defendant in a lawsuit issued by Medi-Venture Corp., seeking to recover damages allegedly sustained by them as a result of use of a trademark. The complaint with respect to this action generally alleges that the Company was using the trademark without authorization. This lawsuit has been dormant for approximately a year, other than a Consent Order from the Court of Queen's Bench of Alberta on June 6, 2017, awarding costs of \$1,000 to the Company and removing an injunction that prevented the Company from using the disputed trademark. While the Company believes this is a very positive step, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result.

Management is not aware of any other current or pending litigation against the Company outside of the Medi-Venture litigation. Disputes that cannot be resolved may result in future litigation and such litigation may have a material adverse effect on the Company, its business, operating results, and financial condition.

Financial Instruments

FAIR VALUE

IFRS requires that we disclose information about the fair value of our financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. NAC's financial instruments consist of cash, accounts receivable, accounts payable, short-term loans and accrued liabilities, and other payables due to directors. We estimate that the fair value of these financial instruments approximates their carrying values due to the relatively short maturity periods of these instruments.

Changes in Accounting Policies and Estimates

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods, and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

IFRS 9 'Financial Instruments: Classification and Measurement' - as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing the impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IFRS 15 'Revenue from contracts with customers' was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 15 immediately, but are not required to do so. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

IFRS 16 'Leases' replaces IAS 17 'Leases', and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the consolidated statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retrospective application and with early adoption permitted. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

APPENDIX E

PRO FORMA FINANCIAL STATEMENTS FOR THE RESULTING ISSUER

UNAUDITED PRO FORMA FINANCIAL STATEMENT OF
THE RESULTING ISSUER
(Prepared by Management)

March 31, 2017

BRASSNECK CAPITAL CORP. (BCC)
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017
(Unaudited)

As at	National Access Cannabis Corp. May 31, 2017	Brassneck Capital Cop. March 31, 2017	Issuance of Performance Shares Note 2(a)	Issuance of Convertible Debentures Note 2(b)	Brokered Private Placement Note 2(c)	Elimination of Brassneck Defecit Note 2(d)	Listing Expense Note 2(e)	Transaction Costs Note 2(f)	Consolidated (unaudited)
Assets									
Current									
Cash and cash equivalents	291,846	431,047			5,760,000			(350,000)	6,132,893
Trade and other receivables	448,311	-							448,311
Inventory	39,050	-							39,050
Prepaid expenses	43,362	-							43,362
	822,569	431,047	-	-	5,760,000	-	-	(350,000)	6,663,616
Non-current									
Property and equipment	892,574								892,574
Goodwill	1,516,271								1,516,271
	3,231,414	431,047	-	-	5,760,000	-	-	(350,000)	9,072,461
Liabilities									
Current									
Trade and other payables	892,151	106,082							998,233
Convertible debentures	923,714	-		(923,714)					-
Note payable	382,500	-	(82,500)						300,000
Due to directors	250,000	-							250,000
Deferred revenues	71,317	-							71,317
	2,519,682	106,082	(82,500)	(923,714)	-	-	-	-	1,619,550
Long term liabilities									
Lease inducements	12,654	-							12,654
	2,532,336	106,082	(82,500)	(923,714)	-	-	-	-	1,632,204
Shareholders' Equity (Deficiency)									
Share capital	5,284,606	457,371	1,161,900	969,900	5,667,658	(132,406)	1,924,604	(350,000)	14,983,633
Equity portion of convertible debentures	46,186	-		(46,186)					-
Contributed surplus	240,404	57,024				(57,024)			240,404
Warrants	-	-			92,342				92,342
Accumulated deficit	(4,872,118)	(189,430)	(1,079,400)			189,430	(1,924,604)		(7,876,122)
	699,078	324,965	82,500	923,714	5,760,000	-	-	(350,000)	7,440,257
	3,231,414	431,047	-	-	5,760,000	-	-	(350,000)	9,072,461

The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.

1. Proposed transaction and assumptions

Brassneck Capital Corp. (BCC) was incorporated under the laws of the Province of Alberta on June 18, 2015, and has a head office in Calgary, Alberta. The Corporation is a “Capital Pool Company” under the policies of TSX Venture Exchange (“the Exchange”), as such term is defined in Exchange Policy 2.4 – Capital Pool Companies. The Corporation is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario. The Corporation’s principal purpose is the identification and evaluation of assets or businesses with a view to acquisition or participation therein (“Qualifying Transaction”).

National Access Cannabis (NAC), a private company, is incorporated under the laws of the Province of British Columbia and has a head office in Ottawa, Ontario. NAC, through its wholly-owned subsidiary National Access Canada Corp., a corporation incorporated under the laws of Canada, operates clinics in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, and Ontario, which assist consumers in navigating through and accessing Canada’s legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations, and selecting appropriate licensed products.

BCC and NAC entered into a Letter of Intent (LOI) on March 29, 2017 whereby NAC agreed to acquire BCC by way of a reverse takeover. The acquisition of NAC by BCC constitutes a reverse asset acquisition as BCC does not meet the definition of a business, as defined in IFRS 3, Business Combinations. The transaction will constitute BCC’s Qualifying Transaction under the policies of the Exchange.

The unaudited pro forma consolidated financial statement of financial position of BCC gives effect to the Qualifying Transaction described above. In substance, the Transaction involves NAC shareholders obtaining control of BCC that will result in a reverse takeover of BCC by the shareholders of NAC.

The unaudited pro forma consolidated statement of financial position as at March 31, 2017 of BCC has been prepared as if the proposed transaction described above by management of NAC using information compiled from:

- Unaudited interim financial statements of BCC for the three months ended at March 31, 2017;
- Unaudited interim financial statements of NAC for the three months ended May 31, 2017

The pro forma consolidated financial statement has been prepared for inclusion in the Filing Statement of BCC dated August 25, 2017. Accounting policies used in the preparation of the pro forma financial statement are in accordance with those disclosed in the audited financial statements of the companies mentioned above which were all prepared in accordance with International Financial Reporting Standards (“IFRS”). This pro forma financial statement should be read in conjunction with the financial statements of BCC and NAC for the applicable periods noted, including the notes thereto and the related Filing Statement of BCC. The pro forma consolidated statement of financial position gives effect to the proposed transaction described above as if it occurred on March 31, 2017. BCC has a fiscal year end of December 31 while NAC has a fiscal year end of August 31. For purposes of the pro forma financial statement, it is assumed that the period end is March 31 and the figures for the period ended March 31, 2017 were used for BCC and May 31, 2017 were used for NAC. It is management’s opinion that the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation, in all material respects, of the unaudited pro forma consolidated statement of financial position as if the transactions described in Note 2 had occurred as at March 31, 2017. In preparing the unaudited pro forma consolidated statement of financial position, no adjustments were made to reflect the operating synergies that may result from the reverse asset acquisition. The pro forma information is based on estimates and assumptions set forth in the notes to such information. The pro forma information is being furnished solely for informational purposes and is not necessarily indicative of the combined results or financial position that might have been achieved for the date indicated, nor is it indicative of future results that may occur.

2. Pro forma adjustments

In contemplation of the Qualifying Transaction the following will have occurred:

- a) After May 31, 2017, NAC issued shares for compensation as follows:

360,000 NAC common shares issued for \$90,000 in interest expense on the NAC note payable (\$82,500 of this total was expensed as of May 31, 2017).

250,200 NAC commons shares issued for achieving various service and performance conditions totalling \$62,550.

An additional 8,074,800 performance shares were issued and are held in escrow, with an issue price of \$0.125 per share for a total expense of \$1,009,350. The expectation is that the performance of non-market milestones related to these shares will be achieved within the next twelve months. Share-based compensation expense related to these shares has been recorded in the unaudited pro forma consolidated.

- b) On April 11, 2017 NAC completed a private placement financing of convertible notes for gross proceeds of \$1,000,000 (net \$969,900 after finder fees and banking charges). The holders of Convertible Notes will be paid interest at a rate of 10% per year, payable semi-annually, with any accrued interest to be forgiven upon completion of the Acquisition. The terms of the Convertible Notes provide that immediately prior to completion of the Acquisition, the Convertible Notes will convert into common shares of NAC at a 20% discount to the Concurrent Financing Price or 5,000,000 shares. For its services brokering the Convertible Note Offering, PI Financial Corp. received 150,000 Agents Convertible Note Warrants to purchase NAC Shares. The terms of the Agents Convertible Note Warrants provide that PI Financial Corp. may acquire NAC Shares at an exercise price of \$0.20 per NAC Share at any time up until April 11, 2019. The agent warrants were attributed a fair value of \$17,055 based on the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate 0.87%
Expected life of options (years) 2.0
Expected annualized volatility 70%
Fair value of security \$0.25

- c) The pro forma statement assumes NAC completes its Concurrent Private Placement selling for gross proceeds to NAC of \$6,000,000 at a price of \$0.25 per common share, resulting in the issuance of 24,000,000 common shares. A finder's fee of \$240,000 will be payable on the financing. As part of this transaction 960,000 agent warrants were issued. The agent warrants have an exercise price of \$0.25 and a two-year term with a fair value of \$92,342. The fair value was estimated using the Black-Scholes option applying a market price of \$0.25, an exercise price of \$0.25, a risk-free interest rate of 0.87%, an expected volatility of 70% and an expected dividend yield of 0%.
- d) The acquisition of NAC by BCC constitutes a reverse asset acquisition as BCC does not meet the definition of a business, as defined in IFRS 3, Business Combinations. Accordingly, there will be an elimination of BCC's pre-acquisition contributed surplus of \$57,024 and accumulated deficit of \$189,430 within shareholders' equity. The Transaction will be accounted for as an acquisition of the net assets and listing status of BCC by NAC by a share based payment. As a result of the share exchange, the former shareholders of NAC will acquire control of BCC with the Transaction treated as a reverse

take-over. The assets and liabilities of NAC are included in the pro forma consolidated statement of financial position at their carrying values.

- e) As a result of this reverse asset acquisition, a listing expense of \$1,924,604 has been recorded. The listing expense reflects the difference between the estimated fair value of the NAC shares to BCC and the fair value of the net assets of BCC acquired totalling \$324,965. For the purposes of the pro-forma consolidated statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued by BCC.

The number of outstanding common shares of BCC prior to the Qualifying Transaction determined on a net exercise basis of 8,361,495 (6,939,000 x 1.205 conversion rate). The fair value of the 8,361,495 common shares (post consolidation) amounted to \$2,090,374 base on the recent NAC private placement financing of \$0.25 per share. The number of outstanding Options and broker IPO Options (Warrants) of BCC prior to the Qualifying Transaction was 1,024,054 (849,837 x 1.205 conversion rate). The BCC Options were attributed a fair value of \$159,195 based on the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate 0.87%
 Expected life of options (years) 1.0
 Expected annualized volatility 70%
 Fair value of security \$0.25

The listing expense of \$1,924,604 was determined as follows:

Listing Expense

Net assets acquired:

Cash	\$ 431,047
Payables	<u>(106,082)</u>
Estimated fair value of net assets assumed	\$ 324,965
Consideration	2,249,569
Cost of public listing charged to deficit	<u>1,924,604</u>

Consideration:

Brassneck share value	\$ 2,090,374
Fair Value of Brassneck options	159,195
	<u>\$ 2,249,569</u>

- f) BCC and NAC’s total transaction costs are estimated to be \$350,000 which includes legal, consulting, and other professional fees.
- g) The pro-forma effective income tax rate applicable to the operations for the foreseeable future is \$nil, due to the existences of income tax loss carry-forwards and no history of operating losses.
- h) The Resulting Issuer will be named “National Access Cannabis Corp.” or such other name as may be accepted by the relevant regulatory authorities, approved by the Board and agreed upon by the Parties.

- i) On completion of the qualifying transactions, all directors of BCC will have resigned and been replaced by nominees of NAC.

3. Pro forma share capital - Resulting Issuer

As a result of the Transaction and the pro forma assumptions, the shareholders' equity of the combined entity as at March 31, 2017 is set out as below:

	Notes	Number of shares	Capital Stock	Number of Stock Options	Number of Warrants
BCC shares issued and outstanding at March 31, 2017		6,939,000	\$ 457,371	575,937	273,900
Pro forma balance of BCC share at March 31, 2017		6,939,000	457,371	575,937	273,900
Effect of pro forma transactions:					
BCC share split on a 1.205 to 1 basis	2(d)	1,422,495	-	118,067	56,150
Shares issued to shareholders of NAC at March 31, 2016 (per table below) on a 1 to 1 basis		107,612,568	13,084,064	-	-
Options issued to shareholders of NAC at March 31, 2016 (per table below) on a 1 to 1 basis		-	-	7,575,000	-
Warrants issued to shareholders of NAC at March 31, 2016 (per table below) on a 1 to 1 basis		-	-	-	1,110,000
Elimination of BCC deficit and contributed surplus	2(d)	-	(132,406)	-	-
Adjustment to BCC share value (listing expense)	2(e)	-	1,924,604	-	-
Transaction costs	2(f)	-	(350,000)	-	-
Pro forma balance, March 31, 2017		115,974,063	14,983,633	8,269,004	1,440,050

The table below outlines the effect of the pro forma adjustments on NAC prior to completions of the Qualifying Transaction:

	Notes	Number of shares	Capital Stock	Number of Stock Options	Number of Warrants
Effect of pro forma transactions:					
NAC balances as of February 28, 2017		69,927,568	\$ 5,284,606	7,575,000	
Issue of non-escrow performance shares	2(a)	610,200	152,550		
Issue of escrow performance shares	2(a)	8,074,800	1,009,350		
Shares issued from convertible debenture issuance	2(b)	5,000,000	969,900		150,000
Shares issued in concurrent financing private placement	2(c)	24,000,000	5,667,658		960,000
Pro forma balance, March 31, 2017		107,612,568	13,084,064	7,575,000	1,110,000

The accompanying notes are an integral part of the unaudited pro forma consolidated financial statements.

APPENDIX F
FINANCIAL STATEMENT OF WILSON MASTER APPS

Wilson Master Apps Inc.
Financial Statements
July 31, 2016 and 2015

Independent Auditors' Report

To the Shareholders of Wilson Master Apps Inc.:

We have audited the accompanying financial statements of Wilson Master Apps Inc., which comprise the statement of financial position as at July 31, 2016 and 2015, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilson Master Apps Inc. as at July 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Calgary, Alberta
August 28, 2017


Chartered Professional Accountants

Wilson Master Apps Inc.

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For the year ended July 31, 2016

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Wilson Master Apps Inc.
Statement of Financial Position
As at July 31

	2016	2015
Assets		
Current		
Cash (Note 5)	21,140	8,652
Trade and other receivables (Note 6)	34,775	1,860
Short term investments	-	995
Total Assets	55,915	11,507
Liabilities		
Current		
Trade and other payables	137,400	53,148
Deferred revenue	27,917	3,958
Total Liabilities	165,317	57,106
Shareholders' Equity (Deficit)		
Share capital (Note 9)	100	100
Deficit	(109,502)	(45,699)
Total Shareholders' Equity (Deficit)	(109,402)	(45,599)
Total Liabilities and Shareholders' Equity (Deficit)	55,915	11,507

Contingency (Note 13)
Subsequent event (Note 14)

Approved on behalf of the Board of
Directors

"signed"

Kyle Wilson, Director

"signed"

Jameel Khaleel, Director

Wilson Master Apps Inc.
Statement of Comprehensive loss
For the year ended July 31

	2016	2015
Revenue	297,119	119,027
Expenses		
General and administrative	141,710	40,816
Retail Product	26,789	7,552
Provincial taxes	-	170
Salaries and wages (note 11)	187,445	125,233
Interest and bank charges	4,978	5,280
Total expenses	360,922	179,051
Loss before the undernoted	63,803	60,024
Other income		
Gain on shareholder loan forgiveness (note 11)	-	(18,893)
Total comprehensive loss for the year attributable to shareholders	(63,803)	(41,131)
Loss per share:		
Basic and diluted	(638)	(411)
Weighted average number of common shares outstanding	100	100

The accompanying notes are an integral part of these financial statements

Wilson Master Apps Inc.
Statement of Changes in Shareholders' Equity
As at

	<i>Share capital</i>	<i>Retained earnings (Deficit)</i>	<i>Shareholders' Equity (deficit)</i>
Balance August 1, 2014	100	(4,568)	(4,468)
Total comprehensive loss	-	(41,131)	(41,131)
Balance August 1, 2015	100	(45,699)	(45,599)
Total comprehensive loss	-	(63,803)	(63,803)
Balance July 31, 2016	100	(109,502)	(109,402)

The accompanying notes are an integral part of these financial statements

Wilson Master Apps Inc.
Statement of Cash Flows
For the year ended July 31

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Total Comprehensive loss	(63,803)	(41,131)
Changes in working capital accounts		
Trade and other receivables	(32,915)	(1,860)
Trade and other payables	84,251	43,713
Deferred revenue	23,960	3,958
Cash provided by operating activities	11,493	4,680
Investing activities		
Purchases of short term investments	-	(995)
Proceeds from disposal of short term investments	995	-
Cash provided by (used in) investing activities	995	(995)
Increase in cash resources	12,488	3,685
Cash resources, beginning of year	8,652	4,967
Cash resources, end of year	21,140	8,652

The accompanying notes are an integral part of these financial statements

1. Reporting entity

Wilson Master Apps Inc. (the "Company") was incorporated under the Alberta Business Corporation Act on February 26, 2015. The Company is domiciled in Canada and operates under the name Cannapply Medical Services. The Group primarily is involved in providing health services to cannabis patients.

The address of the Company's registered office is 1111 Wellington Street West, Ottawa, Canada.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and pronouncements adopted by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at August 1, 2015.

These financial statements were approved by the Board of Directors on August 28, 2017.

3. Basis of preparation

Basis of measurement

The financial statements have been prepared in the historical basis except for financial instruments classified as fair value through profit or loss which are measured at fair value with changes in fair value recorded in earnings.

Functional and presentation currency

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

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Deferred taxes

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude on non-capital losses available for carry forward and of the balances in various tax pools as the corporate tax return has not been prepared as of the date of financial statement preparation. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

Accounts receivable

The Company makes use of estimates when making allowances for uncollectible trade receivables. The Company evaluates each receivable at year end using factors such as age of receivable, payment history and credit risk to estimate when determining if an allowance is required, and the amount of the allowance.

Provisions

The Company is also exposed to legal risk. The outcome of currently pending and future proceedings cannot be predicted with certainty. Thus, an adverse decision in a lawsuit could result in additional obligations that could significantly influence the business and the results of operations.

4. Summary of significant accounting policies

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the Company, and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discounts, volume rebates, and amounts collected on behalf of third parties.

Membership revenue is deferred and recognized on a pro-rata basis over the term of the membership, which is typically 12 months.

Cash

Cash consists of cash in the bank.

Income taxes

Taxation on the profit or loss for the year comprises of current and deferred tax.

Taxation is recognized in profit or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity, or a business combination.

Current taxes

Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantively enacted at the year end, and includes any adjustments to tax payable in respect of previous years.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Any changes in deferred tax assets or liabilities are recognized as part of tax expense or income in profit or loss, except where they relate to items that are recognized in other comprehensive income (loss).

Per common share amounts

Basic per share amounts are calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the year.

Financial instruments

Financial assets at fair value through profit or loss:

The Company has designated cash on initial recognition at fair value through profit (loss). The Company's financial assets at fair value through profit (loss) are initially recognized at their fair value. Fair value is determined by published price quotations in an active market.

Financial assets at fair value through profit (loss) are subsequently measured at their fair value. Net gains and losses arising from changes in fair value recognized immediately in profit (loss).

4. Summary of significant accounting policies *(Continued from previous page)*

Loans and receivables:

The Company has classified the following financial assets as loans and receivables: Trade and other receivables. These assets are initially recognized at their fair value. Fair value is determined by reference to recent arm's length market transactions for the same instrument.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in profit (loss) upon derecognition or impairment.

Financial liabilities measured at amortized cost:

The Company has classified the following financial liabilities as financial liabilities measured at amortized cost: Trade and other payables. These liabilities are initially recognized at their fair value. Fair value is determined by reference to recent arm's length market transactions for the same instrument. Transactions to purchase or sell these items are recorded on the trade date.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in profit (loss) upon derecognition.

Financial asset impairment

The Company assesses impairment of all its financial assets, except those classified at fair value through profit (loss). Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year profit (loss).

The Company reverses impairment losses on debt instruments classified as available-for-sale when an increase in fair value can be objectively related to an event occurring after the impairment loss was recognized. In addition, the Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was recognized.

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at July 31, 2016 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 15 Revenue from contracts with customers

IFRS 15, issued in May 2014, specifies how and when entities recognize, measure, and disclose revenue. The standard supersedes all current standards dealing with revenue recognition, including IAS 11 *Construction contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers*, and SIC 31 *Revenue – barter transactions involving advertising services*.

Amendments to IFRS 15, issued in April 2016, clarify some requirements and provide additional transition relief for when an entity first applies IFRS 15.

IFRS 15, and the amendments, are effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this standard on its financial statements.

4. Summary of significant accounting policies *(Continued from previous page)*

IFRS 16 Leases

IFRS 16, issued in January 2016, introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard will supersede IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of this standard on its financial statements.

IAS 7 Statement of Cash flows

IAS 7 – “Statement of Cash Flows” was amended in April 2016. The IASB issued amendments for the annual period beginning on or after January 1, 2017, with earlier application permitted. The amendments require entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company has evaluated the impact of IAS 7 on its financial statements and determined the impact will not be significant.

IFRS 9 Financial Instruments

IFRS 9 - "Financial Instruments", is intended to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 9 on the Company's financial statements.

IAS 12 Income Taxes

IAS 12 – “Income Taxes” was amended for the annual period beginning on January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of a reporting period, and is not affected by possible future changes in the carrying amount or expected recovery of the asset. The Company has evaluated the impact of IAS 12 on its financial statements and determined the impact will not be significant.

5. Cash and cash equivalents

	2016	2015
Cash and cash equivalents	21,140	8,652
	21,140	8,652

6. Trade and other receivables

Trade receivables are unsecured and non-interest bearing and are generally collect on 30 day terms. Trade receivables represent amounts owing from licensed producers which are normally collected with 30 to 60 days after month-end.

	2016	2015
Trade receivables	34,775	1,860
	34,775	1,860

7. Fair value measurements

Recurring fair value measurements

The Company's assets and liabilities measured at fair value on a recurring basis have been categorized into the fair value hierarchy as follows:

	<i>2016</i>	<i>Level 1</i>
	<i>Fair Value</i>	
Assets		
Financial assets at fair value through profit or loss		
Cash	21,140	21,140
Total assets	21,140	21,140
	<i>2015</i>	<i>Level 1</i>
	<i>Fair Value</i>	
Assets		
Financial assets at fair value through profit or loss		
Cash	8,652	8,652
Total assets	8,652	8,652

The Company uses three input levels to measure fair value:

Level 1 - unadjusted quoted prices in active markets of identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 - quoted prices for similar assets or liabilities, quotes in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities; and

Level 3 - unobservable inputs that are supported by little or no market activity that are significant to fair value of the assets or liabilities.

8. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. Financial instruments that subject the Company to credit risk consist primarily of cash and trade and other receivables. The Company's cash and cash equivalents is held with large established financial institutions.

The carrying amount of the Company's financial instruments best represents the maximum exposure to credit risk.

8. Financial instruments (Continued from previous page)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full when they fall due. The Company manages this risk by making sure it has enough funds to meet obligations as they come due, mainly through loans from shareholders. The funds are primarily used to finance capital expenditure requirements and are adequate to meet the Company's financial obligations associated with financial liabilities.

	< 1 year	Total
Trade and other payables	137,400	137,400
	137,400	137,400

9. Share capital

	2016	2015
The corporation is authorized to issue an unlimited number of Class "A" voting shares and an unlimited number of Class "B" non-voting shares	100	100
	100	100

As at July 31, 2016 and 2015 the Company has 100 Class "A" voting shares issued and outstanding.

10. Capital management

Management defines capital as the Company's shareholders' deficit and trade and other payables. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company is not subject to any externally imposed capital requirements.

11. Related party transactions

Key management personnel are comprised of the Company's Directors and Officers. The remuneration of key management personnel during the years ended July 31, 2016 and 2015 were as follows:

	2016	2015
Short-term employee benefits	50,507	102,021

During the year-ended July 31, 2015, a shareholder forgave \$18,893 in advances to the Company. As a result, a gain on loan forgiveness in the amount of \$18,893 was recorded in the statement of comprehensive loss. As at July 31, 2016, there was no amounts owing to this shareholder.

Wilson Master Apps Inc.
Notes to the Financial Statements
For the year ended July 31, 2016

12. Income tax

Income tax expense differs from the amount computed by applying the statutory provincial and federal income tax rate of 14% (2015 – 14%) to the losses incurred. These differences result from the following items:

	July 31, 2016	July 31, 2015
Total loss	\$ 63,803	\$ 41,131
Expected income tax recovery	\$ 8,932	\$ 5,758
Other	(3,767)	(949)
Change in unrecognized deferred tax asset	(5,165)	(4,809)
Total income tax recovery	\$ -	\$ -

Details of the unrecognized deductible temporary differences are as follows:

	July 31, 2016	July 31, 2015
Non-capital loss carry forwards	\$ 79,605	\$ 39,369
Capital assets	186	338
Other assets	346	344
Unrecognized deductible temporary differences	\$ 80,137	\$ 40,051

At this stage of the Company's development, it cannot be reasonably estimated that there will be future taxable profits, so no deferred income tax assets were recognized.

At July 31, 2016, the Company has not recognized a deferred tax asset in respect of non-capital losses of approximately \$79,605 (2015 - \$39,369).

13. Contingency

The Company has been named as defendant in a lawsuit issued by Medi-Venture Corp., seeking to recover damages allegedly sustained by them as a result of use of a trademark. The complaint with respect to this action generally alleges the Company was using the trademark without authorization. This lawsuit is currently in its early stage and, as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuits or to estimate the loss, if any, which may result.

14. Subsequent event

On December 23, 2016, National Access Cannabis Corporation (NAC) acquired 100% of the issued and outstanding shares of the Company for \$600,000 consisting of \$100,000 in cash and 1,300,000 in shares upon closing and an additional amount of \$175,000 due conditionally in the event NAC is acquired by a public company (an "RTO") on or before January 1, 2018. If NAC does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of the Company.

Wilson Master Apps Inc.
Condensed Interim Financial Statements
For the three month periods ended October 31, 2016 and 2015

Wilson Master Apps Inc. Contents

For the three month periods ended October 31, 2016 and 2015

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Wilson Master Apps Inc.
Condensed Interim Statement of Financial Position
As at,

	<i>October 31, 2016 (Unaudited)</i>	<i>July 31, 2016 (Audited)</i>
Assets		
Current		
Cash	\$ 15,846	\$ 21,140
Trade and other receivables (Note 3)	29,517	34,775
Total Assets	\$ 45,363	\$ 55,915
Liabilities		
Current		
Trade and other payables	\$ 142,897	\$ 137,400
Deferred revenue	16,309	27,917
Total Liabilities	159,206	165,317
Shareholders' Deficit		
Share capital (Note 7)	100	100
Deficit	(113,943)	(109,502)
Total Shareholders' Deficit	(113,843)	(109,402)
Total Liabilities and Shareholder's Deficit	\$ 45,363	\$ 55,915

Contingency (Note 9)
Subsequent event (Note 10)

Approved on behalf of the Board of Directors:

Signed "Chuck Rifici"
Chuck Rifici, Director

Wilson Master Apps Inc.
Condensed Interim Income (Loss) Statement
For the three month period ended October 31,
(Unaudited)

	2016	2015
Revenue	\$ 67,251	\$ 58,561
Expenses		
General and administrative	19,696	8,045
Retail product	1,900	12,813
Salaries and wages	49,423	32,469
Interest and bank charges	673	273
Total expenses	71,692	53,600
Net income (loss) for the period	\$ (4,441)	\$ 4,961
Income (loss) per share:		
Basic and diluted	(44)	50
Weighted average number of common shares outstanding	100	100

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

Wilson Master Apps Inc.
Condensed Interim Statement of Changes in Deficit
As at,
(Unaudited)

	<i>Share Capital</i>	<i>Deficit</i>	<i>Shareholders' Deficit</i>
Balance August 1, 2015	\$ 100	\$ (45,699)	\$ (46,599)
Net loss for the year	-	(63,803)	(63,803)
Balance July 31, 2016	100	(109,502)	(109,402)
Net loss for the period	-	(4,441)	(4,441)
Balance October 31, 2016	\$ 100	\$ (113,943)	\$ (113,843)

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

Wilson Master Apps Inc.
Statement of Cash Flows
For the three month periods ended October 31,
(Unaudited)

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Net income (loss) for the period	\$ (4,441)	\$ 4,961
Changes in working capital accounts		
Trade and other receivables	5,258	(5,734)
Trade and other payables	5,497	5,781
Deferred revenue	(11,608)	(2,625)
Cash (used in) provided by operating activities	(5,294)	2,383
Increase (decrease) in cash resources	(5,294)	2,383
Cash resources, beginning of period	21,140	8,652
Cash resources, end of period	\$ 15,846	\$ 11,035

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

Wilson Master Apps Inc.
Notes to the Condensed Interim Financial Statements
For the three month periods ended October 31, 2016 and 2015

1. General information

Wilson Master Apps Inc. (the "Company") was incorporated under the Alberta Business Corporation Act on February 26, 2015. The Company is domiciled in Canada. The Company is primarily involved in providing health services to cannabis patients.

The address of the Company's registered office is 1111 Wellington Street West, Ottawa, Canada.

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), using the accounting policies and methods of computation disclosed in the Company's audited financial statements for the year ended July 31, 2016. These condensed interim financial statements should be read in conjunction with the annual statements as condensed interim statements exclude certain disclosures.

These condensed interim financial statements were authorized by a director on August 28, 2017.

Basis of measurement

The condensed interim financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets recorded on the date of transaction. These condensed interim financial statements have been prepared on a going concern basis.

Items included in the condensed interim financial statements of the Company is measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The condensed interim consolidated financial statements are presented in Canadian dollars.

2. Significant accounting policies

These condensed interim financial statements follow the same accounting policies as the most recent annual financial statements for the year ended July 31, 2016.

3. Trade and other receivables

Trade receivables are unsecured and non-interest bearing and are generally owing from licensed producers which are normally collected with 30 to 60 days after month-end.

4. Key management compensation

Key management personnel are comprised of the Company's Directors and Officers. The remuneration of key management personnel during the three months ended October 31, 2016 and 2015 were as follows:

	2016	2015
Short-term employee benefits	\$ 12,200	\$ 12,200

As at October 31, 2016, \$1,200 (2015 - \$1,200) was payable to these officers and directors.

5. Fair value measurements

Recurring fair value measurements

The Company's assets and liabilities measured at fair value on a recurring basis have been categorized into the fair value hierarchy.

The Company uses three input levels to measure fair value:

Wilson Master Apps Inc.
Notes to the Condensed Interim Financial Statements
For the three month periods ended October 31, 2016 and 2015

5. Fair value measurements *(continued from previous page)*

Level 1 - unadjusted quoted prices in active markets of identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. As at October 31, 2016, the Company's cash has been subject to level 1 valuation;

Level 2 - quoted prices for similar assets or liabilities, quotes in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities; and,

Level 3 - unobservable inputs that are supported by little or no market activity that are significant to fair value of the assets or liabilities.

6. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Financial instruments that subject the Company to credit risk consist primarily of cash and trade and other receivables. The Company's cash is held with large established financial institutions. Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Company's trade and other receivables best represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full when they fall due. The Company manages this risk by making sure it has enough funds to meet obligations as they come due, mainly through loans from shareholders. The funds are primarily used to finance capital expenditure requirements and are adequate to meet the Company's financial obligations associated with financial liabilities.

	<i>< 1 year</i>	<i>Total</i>
Trade and other payables	\$ 142,897	\$ 142,897
	\$ 142,897	\$ 142,897

7. Share capital

The Company is authorized to issue an unlimited number of Class "A" voting shares and an unlimited number of Class "B" non-voting shares

As at October 31, 2016 and July 31, 2016 the Company has 100 Class "A" voting shares issued and outstanding.

8. Capital disclosures

Management defines capital as the Company's shareholders' deficit and trade and other payables. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Wilson Master Apps Inc.
Notes to the Condensed Interim Financial Statements
For the three month periods ended October 31, 2016 and 2015

9. Contingency

The Company has been named as defendant in a lawsuit issued by Medi-Venture Corp., seeking to recover damages allegedly sustained by them as a result of use of a trademark. The complaint with respect to this action generally alleges the Company was using the trademark without authorization. This lawsuit is currently in its early stages and, as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result.

10. Subsequent event

On December 23, 2016, National Access Cannabis Corporation (NAC) acquired 100% of the issued and outstanding shares of the Company for \$600,000 consisting of \$100,000 in cash and 1,300,000 in shares upon closing and an additional amount of \$175,000 due conditionally in the event NAC is acquired by a public company (an "RTO") on or before January 1, 2018. If NAC does not complete an RTO by January 1, 2018 an additional 500,000 common shares and \$25,000 in cash will be paid to the former shareholders of the Company.

ACKNOWLEDGMENT OF PERSONAL INFORMATION

“**Personal Information**” means any information about an identifiable individual, and includes information contained in any items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: August 28, 2017

(signed) “*Mark Goliger*”

Mark Goliger
Chief Executive Officer

CERTIFICATE OF BRASSNECK CAPITAL CORP.

Dated: August 28, 2017

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Brassneck Capital Corp. assuming completion of the Qualifying Transaction.

(signed) "*Connor Cruise*"

Connor Cruise
Chief Executive Officer and Chief Financial Officer

(signed) "*Michael Saliken*"

Michael J. Saliken
Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*William C. Guinan*"

William C. Guinan
Director

(signed) "*Fred Leigh Jr.*"

Fred Leigh Jr.
Director

CERTIFICATE OF NATIONAL ACCESS CANNABIS CORP.

Dated: August 28, 2017

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of National Access Cannabis Corp. assuming completion of the Qualifying Transaction.

(signed) "*Mark Goliger*"

Mark Goliger
Chief Executive Officer

(signed) "*Michael Best*"

Michael Best
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Chuck Rifici*"

Chuck Rifici
Chairman of the Board of Directors

(signed) "*Rocco Meliambro*"

Rocco Meliambro
Director