



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound June 2018 Monthly News Reports and is published on our Website.

## INVICTUS MD STRATEGIES CORP

Company Website: [www.invictus-md.com](http://www.invictus-md.com)

**History:** Incorporated in Canada under the British Columbia Business Corporations Act as BioAB Strategies Ltd on Feb. 11, 2014. Present name adopted on Dec. 23, 2014.

On Dec. 19, 2014, Co. acquired all 100% securities of Greener Pastures Marihuana Dispensary Ltd.

On Jan. 30, 2015, Co. acquired all of Carrus' Capital Corp. interest in antibiotic related technologies.

On Mar. 3, 2015, Co. purchased a 100% interest in Prestige Worldwide Holdings Inc. ("Prestige") in exchange for 171,000 common shares to the shareholder of Prestige, and will issue additional common shares as Future Harvest achieves certain EBITDA milestones (up to an aggregate of 900,000 common shares).

On Dec. 23, 2016, Co. acquired 33.33% of AB Laboratories Inc. ("AB Labs"). Under the terms of the agreement, Co. acquired 33.33% of AB Labs for consideration of C\$5,000,000 (paid) and 2,400,000 common shares (issued with a fair value of C\$3,456,000), and payment of C\$2,000,000 ninety days after closing (paid).

On Dec. 23, 2016, Co. acquired 11.76% of AB Ventures Inc. ("AB Ventures") for consideration of C\$2,000,000 (paid). In exchange, AB Ventures issued Co. 13.33 common shares and a warrant to acquire an additional 36.66 common shares for C\$5,500,000. Upon payment of the C\$5,500,000, Co. will have been issued 49.99 common shares of AB Ventures, representing a 33.33% ownership interest.

On Mar. 14, 2017, Co. completed its final commitment with a cash transaction of C\$2,000,000 to acquire 33.33% of AB Labs.

On Feb. 9, 2017, AB Ventures acquired 100 acres of land in Hamilton, Ontario. The land acquisition, worth approximately C\$1,596,000, is scheduled to close in early May 2017 (closed) and will be used for future cannabis cultivation, once licensed under the ACMPR.

On Apr. 26, 2017, Co. acquired 100% of the shares of Acreage Pharms Ltd. ("Acreage Pharms"), a licensed producer of Cannabis under the Access to Cannabis for Medicinal Purposes Regulations ("ACMPR"), for (i) 20,000,000 common shares of Co.; C\$6,000,000; and (iii) issued 3,000,000 warrants with an exercise price of C\$1.50 per warrant, of which: 1,000,000 warrants expiring in 6 months following the date the Option is exercised; 1,000,000 warrants expiring in 12 months following the date the Option is exercised, and 1,000,000 warrants expiring in 18 months following the date the Option is exercised.

On Feb. 6, 2018, Co. exercised its option to acquire an additional 16.67% ownership in AB Labs. The exercise price of the option was C\$10,000,000, to be used as follows: (i) C\$2,750,000 for the purchase of the "Primary Facility" building, (ii) C\$5,200,000 for the purchase of the "Secondary Facility" land and building, and for the anticipated construction costs of the Secondary Facility, and (iii) C\$2,050,000 for working capital purposes.

On Mar. 5, 2018, Co. acquired the land and building (the "Property") next door for C\$5.2 million for its Phase 2 expansion. The address of the Property has been consolidated with AB Labs existing address to allow the existing cultivation and sales license to extend to the Property.

On Mar. 13, 2018, Co. acquired all the issued and outstanding shares of Gene-Etics Strains Co. The consideration payable by

Co. to Gene Simmons will be comprised of cash and common shares of Co. issued at a deemed price of C\$1.97 per share, as follows : (i) US\$2,500,000, (ii) 2,631,141 common shares, (iii) 1,973,355 common shares, issued on the date that is the later of (1) 180 days following the closing date, and (2) the date on which a Master Services Agreement and License Agreement have been executed by each party, and (iv) 1,973,355 common shares, issued on the date that is the later of (1) 240 days following the closing date, (2) January 2, 2019, and (3) the date on which a Master Services Agreement and License Agreement have been executed by each party.

**Business Summary:** Invictus MD Strategies is engaged in the investment, acquisition, and development of synergistic businesses in an effort to increase and sustain growth, value and profits in the medical cannabis industry.

Acreage Pharms is a licensed producer of medical cannabis in Canada pursuant to the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Future Harvest produces and sells plant fertilizers, nutrients and other supplies for hydroponics. Poda develops technology to vaporize cannabis. AB Laboratories is a licensed producer and seller of medical cannabis in Canada, and AB Ventures is in the application phase for a license to produce medical cannabis under ACMPR.

**Property:** Co. maintain its head office in White Rock, British Columbia, Canada. Co. also has its registered and records office in Vancouver, British Columbia, Canada.

Co.'s subsidiary, Acreage Pharms has a 6,800-square foot purpose-built production facility with an expansion of a 27,000 square feet purpose built concrete and steel facility within 60,000 square feet of secured perimeter and sits on 150 acres in Edson, Alberta; AB Laboratories occupies a cultivation space of 16,000 square feet and AB, Ventures has 100 acres of land in Hamilton, Ontario.

### Subsidiaries

(wholly owned unless otherwise noted)

Greener Pastures Marihuana Dispensary Ltd.  
Poda Technologies Ltd.  
Vitaleaf Management Inc.  
Prestige Worldwide Holdings Inc.  
Future Harvest Development Ltd. (82.5%)  
Acreage Pharms Ltd.  
AB Laboratories Inc. (50%)  
AB Ventures Inc. (11.76%)

### Officers

Dan Kriznic, Chief Executive Officer  
Dylan Easterbrook, Chief Financial Officer  
Larry Heinzlmeir, Vice President - Marketing; Vice President - Communications

### Directors

Dan Kriznic, Director  
George Kveton, Director  
Josef Hoher, Director  
Aaron Bowden, Director  
Trevor Dixon, Director

**Auditors:** Manning Elliott LLP

**Legal Counsel:** DuMoulin & Black, LLP

**Registrar and Transfer Agent:** Computershare Investor Services, Vancouver, B.C., Canada

**Annual Meeting:** In June

**Shareholder Relations:** Larry Heinzlmeir, Vice President, Marketing and Communications **Tel:** 604-537-8676

**No. of Stockholders:** May 15, 2018, 8,775

**No. of Employees:** Apr. 30, 2018, 70

**Address:** 300 - 15047 Marine Drive, White Rock, British Columbia V4B 1C5, Canada

**Tel:** 604 220-0801

**Fax:** 604 685-9466

**Web:** [www.invictus-md.com](http://www.invictus-md.com)

**Email:** [info@invictus-md.com](mailto:info@invictus-md.com)

### Consolidated Income Statement, Years Ended Jan. 31 (Can\$):

	2018	2017	2016
		(revised)	(revised)
Revenue	2,364,423	2,549,061	3,706,125
Cost of sales	...	...	(2,500,737)
Production costs	(2,018,253)	(1,559,767)	...
Gross margin before fair value adjustment	346,170	989,294	...
Unrealized gain on changes in fair value of biological assets	1,311,925	...	...
Gross margin	1,658,095	989,294	1,205,388
Investor relations	...	...	(225,679)
Sales & marketing	(2,745,855)	(597,906)	(299,687)
Travel & meals	...	...	(82,474)
Total selling & marketing	...	...	(607,840)
Depreciation	...	...	(9,670)
Filing & transfer agent fees	...	...	(34,628)
Management fees & wages	...	...	(686,642)
General & administrative	(5,269,212)	(3,299,763)	...
Office & general	...	...	(295,723)
Professional fees	...	...	(332,953)
Rent	...	...	(99,539)
Stock-based compensation	...	...	(116,612)
Total general & administrative	...	...	(1,575,767)
Research & development	(11,486)	...	...
Share-based compensation	(7,419,953)	(2,428,780)	...
Acquisition costs	(3,399,830)	...	...
Depreciation & amortization	(1,855,755)	(5,839)	...
Total operating expenses	(20,702,091)	(6,332,288)	...
Net income (loss)			

from operations	(19,043,996)	(5,342,994)	(978,219)	shares outstanding				Bank indebtedness	91,144	
Interest income				- diluted	68,323,712	10,509,293	393,466	Trade accounts payable	1,109,498	301,874
(expense)	144,147	(81,303)		Weighted average				Accrued liabilities	813,950	5,950
Bargain purchase				shares outstanding				Goods & services tax &		
gain			512,234	- basic	68,323,712	10,509,293	393,466	taxes payable	19,913	1,698
Foreign exchange				Year end shares				Payroll liabilities	77,877	22,905
gain (loss)	23,581	(8,583)	(31,080)	outstanding	89,313,485	27,839,600	4,033,430	Accounts payable &		
Loss on option				Net income (loss)				accrued liabilities	2,021,238	332,427
agreements	(373,521)	(45,155)		per share - basic	Can\$(0.29)	Can\$(0.54)	Can\$(0.30)	Deferred revenue	561,166	
Loss on write-off				Net income (loss)				Note payable		2,000,000
of loans receivable	(999,564)			per share - diluted	Can\$(0.29)	Can\$(0.54)	Can\$(0.30)	Total current liabilities	2,582,404	2,423,571
Gain on disposal of				Total number of				Deferred tax liabilities	10,030,000	
investments in				employees	70			Total liabilities	12,612,404	2,423,571
associates			229,195	Number of common				Ordinary shares	107,231,193	17,238,846
Gain on fair value				stockholders	8,775			Share capital	107,231,193	17,238,846
remeasurement of								Contributed surplus	21,143,715	6,137,595
equity			697,500					Retained earnings		
Loss on sale of								(accumulated deficit)	(27,178,934)	(7,401,110)
SunBlaster		(741,239)						Equity attributable to		
Gain on sale of								common shareholders	101,195,974	15,975,331
inventory		9,103						Non-controlling interest	1,638,426	1,649,570
Gain on sale of								Total shareholders'		
property, plant &	2,076							equity	102,834,400	17,624,901
equipment								Total liabilities &		
Gain on write-off o								shareholders' equity	115,446,804	20,048,472
f shareholder loan	215,447									
Equity loss on										
investments	(594,998)									
Interest expense			(18,061)							
Share of loss of										
equity-accounted										
investees			(114,610)							
Loss on sale of										
subsidiary			(153,892)							
Write-off of										
deposit			(150,000)							
Total other income										
(expense)	(1,582,832)	(867,177)	971,286							
Net income (loss)										
before income taxes	(20,626,828)	(6,210,171)	(6,933)							
Current income tax										
(expense) recovery	41,919	(44,792)								
Deferred income tax										
(expense) recovery	795,941	529,000								
Net income (loss)										
for the year	(19,788,968)	(5,725,963)	(6,933)							
Net income (loss)										
attributable to										
owners of the										
company	(19,777,824)	(5,639,272)	(102,111)							
Net income (loss)										
attributable to										
non-controlling										
interest	(11,144)	(86,691)	95,178							
Weighted average										

**Consolidated Balance Sheet, Years Ended Jan. 31 (Can\$):**

2018

2017

Reclassified to conform with 2018 presentation

**Capital Stock: 1. Invictus MD Strategies Corp common; no par.**

OUTSTANDING—Jan. 31, 2018, 89,313,485 shs; no par.(escrow shares, 166,667)

WARRANTS—15,236,743 shs.

STOCK SPLITS—No par shares split 1-for-10 Mar. 17, 2016.

DIVIDENDS—

2016 . . . . . 0.04

OPTIONS—Jan. 31, 2018, outstanding, 8,518,000.

PRIMARY EXCHANGE—Venture Exchange (TVX): GENE.

SECONDARY EXCHANGES—National Bulletin Board (NBB):

IVIT F.

PRIVATE PLACEMENTS—(5,205,375 units) at C\$0.15 per unit privately placed on June 30, 2016 for gross proceeds of C\$780,806. Each unit consisted of one common share and one transferable common share purchase warrant.

(11,429,089 units) at C\$1.05 per unit privately placed on Dec. 1, 2016 for gross proceeds of C\$12,000,543. Each unit consisted of one common share and one-half warrant.

(9,829,130 units) at C\$1.65 per unit privately placed on Mar. 2, 2017 for total proceeds of C\$16,218,065. Each unit was comprised of one common share and one-half of one share purchase warrant.

(18,525,000 units) at C\$1.35 per unit privately placed on May 24, 2017 for total proceeds of C\$25,008,750. Each unit was comprised of one common share and one-half of one share purchase warrant.

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