



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 September 2017 Monthly News Reports and is published on our Website.

## TRUE LEAF MEDICINE INTERNATIONAL LTD

Company Website: [www.trueleaf.com](http://www.trueleaf.com)

**History:** Incorporated in British Columbia on July 4, 2013 as True Leaf Medicine, Inc. Present name adopted Feb. 2, 2015.

On May 23, 2014, TL Investments completed a share exchange with Co and the sole shareholder of TL Medicine Inc in which TL Investments issued 25,000,000 common shares valued at \$1,250,000 to that shareholder in exchange for all of the outstanding common shares of TL Medicine. The share exchange constituted a reverse takeover, with the sole shareholder of Co. acquiring a control position in TL Investments. On February 2, 2015, the Company completed a plan of arrangement which constituted a reverse takeover, with the shareholders of TL Investments acquiring a control position in the Company (the "Plan of Arrangement"). As a result of the Plan of Arrangement, the consolidated financial statements have been presented as a continuation of TL Medicine. On February 9, 2015,

**Business Summary:** True Leaf Medicine International is engaged in the provision of hemp-focused pet chews and supplements. Co. operates in two segments: pet support supplements and chews; and medical marijuana. Co.'s True Hemp™ Chews product line uses the legal part of the cannabis plant, the hemp seed, to create a product for pets. Co.'s products are primarily sold through veterinarians, food retailers, food wholesalers, drug stores, club stores, mass merchandisers, discount and dollar stores, natural foods stores and distributors, and pet specialty stores. Co.'s medical marijuana business is on hold until Co. obtains regulatory approval from the Canadian government.

**Property:** Co. maintains its head office in Vernon, British Columbia.

### Subsidiaries

True Leaf Investments Corp.  
True Leaf Medicine Inc.  
True Leaf Pet Inc.  
True Leaf Pet Europe LLC Sarl (Luxembourg)

### Officers

Michael Harcourt, Chairman  
Darcy Bomford, President; Chief Executive Officer  
Chuck Austin, Chief Financial Officer  
Kevin Bottomley, Corporate Communications Officer

### Directors

Michael Harcourt, Chairman; Director  
Darcy Bomford, Director  
Kevin Bottomley, Director  
Christopher Spooner, Director

**Auditors:** Davidson & Company LLP

**Transfer Agent:** Computershare Investor Services Inc.

**Shareholder Relations:** Kevin Bottomley, Corporate Communications & Director **Tel:** 778-389-9933

**No. of Stockholders:** Aug. 31, 2017, 332

**No. of Employees:** Aug. 31, 2017, 5

**Address:** 100 Kalamalka Lake Road, Unit 32, Vernon, British Columbia V1T 9G1, Canada

**Tel:** 778 475-5323

**Web:** [www.trueleaf.com](http://www.trueleaf.com)

**Email:** [info@trueleaf.com](mailto:info@trueleaf.com)

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

	2017	2016	2015
Sales .....	374,438	37,330	...
Cost of sales .....	(279,072)	(26,117)	...
Gross profit .....	95,366	11,213	...
Accounting & legal ..	(288,039)	(158,899)	(315,742)
Accretion .....	(3,192)	(3,187)	...
Administrative & office .....	(434,907)	(181,641)	(145,907)
Advertising & marketing .....	(403,559)	(207,511)	(55,345)
Amortization - intangible assets .....	(11,141)	...	...
Consulting fees .....	(268,591)	(142,848)	(164,880)
Depreciation - capital assets .....	(5,591)	(3,091)	(1,099)
Directors' fees .....	(7,500)	(7,500)	(4,480)
Management fees .....	(60,000)	(60,000)	(50,000)
Research .....	(49,136)	(24,152)	(34,481)
Share-based compensation .....	(265,917)	(245,341)	(22,254)
Total operating expenditures .....	(1,797,573)	(1,034,170)	(794,188)
Foreign exchange loss .....	(3,223)	(7,970)	(266)
Loss on debt settlement .....	(6,958)	(15,304)	...
Gain on debt forgiveness .....	...	8,992	...
Inventory obsolescence .....	(36,000)	(2,081)	...
Bargain purchase on acquisition of OregaPet assets .....	5,338	...	...
Listing expense .....	...	...	(49,949)
Transaction costs .....	...	...	(1,322,402)
Income (loss) comprehensive income (loss) for the period .....	(1,743,050)	(1,039,320)	(2,166,805)
Weighted average shares outstanding - basic .....	54,039,396	39,515,639	31,654,820
Weighted average shares outstanding - diluted .....	54,039,396	39,515,639	31,654,820
Year end shares outstanding .....	<sup>1</sup> 60,427,383	41,971,949	<sup>2</sup> 37,956,663
Net earnings (loss) per share - basic .....	Can\$(0.03)	Can\$(0.03)	Can\$(0.07)
Net earnings (loss) per share - diluted .....	Can\$(0.03)	Can\$(0.03)	Can\$(0.07)
Total number of employees .....	<sup>3</sup> 5	...	...
Number of common stockholders .....	<sup>4</sup> 332	...	...

<sup>1</sup> Shares increased due to the effect of share issued for debt settlement, conversion of debt, private placements, exercise of warrants and stock options, and acquisition of OregaPet assets; <sup>2</sup> Shares increased due to the effect of additional issuance of shares for debt settlement, restructuring, share exchange, acquisition on TL Medicine Inc., plant of arrangement and private placement; <sup>3</sup> As of August 31, 2017

### Consolidated Balance Sheet, Years Ended Mar. 31 (Can\$):

	2017	2016
<b>Assets:</b>		
Cash .....	159,575	3,737
Trade receivables .....	62,098	10,259
Goods & services tax receivable .....	4,081	2,666
Receivables .....	66,179	12,925
Inventories .....	392,908	21,578
Prepaid expenses .....	15,920	7,542
Total current assets .....	634,582	45,782
Marketable securities .....	50	50
Capital assets, costs .....	22,137	12,906
Accumulated depreciation .....	(9,781)	(4,190)
Capital assets .....	12,356	8,716
Intangible assets .....	124,635	35,008
Total assets .....	771,623	89,556
<b>Liabilities:</b>		
Accounts payable & accrued liabilities .....	211,452	390,931
Convertible debt - liability .....	...	58,416
Due to related parties .....	23,771	169,708
Promissory note payable .....	46,428	...
Total current liabilities .....	281,651	619,055
Promissory note payable .....	63,169	...
Total non-current liabilities .....	63,169	...
Total liabilities .....	344,820	619,055
Common shares .....	5,088,454	2,436,675
Share capital .....	5,088,454	2,436,675
Convertible debt - equity .....	...	4,373
Reserves .....	339,802	312,795
Retained earnings (deficit) .....	(5,001,453)	(3,283,342)
Total shareholders' equity (deficit) .....	426,803	(529,499)
Total liabilities & shareholders' equity (deficit) .....	771,623	89,556

<sup>1</sup> Reclassified to conform with 2017 presentation

### Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Davidson & Company LLP, as it appeared in Co.'s 2017 Annual Report:

#### "Opinion"

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of True Leaf

Medicine International Ltd. as at March 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions

and matters that indicate the existence of a material uncertainty that may cast significant doubt about True Leaf Medicine International Ltd.'s ability to continue as a going concern."

**Debt:** Mar. 31, 2017, C\$109,597 (including current portion C\$46,428) promissory note.

**Capital Stock:** 1. **True Leaf Medicine International Ltd** common; no par.

OUTSTANDING—Mar. 31, 2017, 60,427,383 shs; no par.

WARRANTS—1,816,398 shs.

OPTIONS—June 30, 2017, outstanding, 3,149,995.

PRIMARY EXCHANGE—Canadian Trading & Quotation System (CNQ): MJ.

SECONDARY EXCHANGES—National Bulletin Board (NBB): TRLF F.

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