

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

10,000,000 SHARES OF ORDINARY SHARES

US\$1,250,000

RxMM Health Limited an Australian Corporation ("RxMM", or the "Company"), is offering 10,000,000 Shares of its authorized voting ordinary shares ("the Shares") to qualified investors at a purchase price of \$0.125 per Share (the "Offering"). The minimum subscription is 200,000 Shares (\$25,000), unless the Company, in its sole discretion, elects to accept subscriptions for fewer Shares.

THE SHARES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR THE SECURITIES LAWS OF ANY STATE, IN RELIANCE UPON ONE OR MORE SPECIFIC EXEMPTIONS FROM THE REGISTRATION OR QUALIFICATION REQUIREMENTS THEREOF. NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY OTHER FEDERAL OR STATE AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Investors	Offering Fees (1)	Net Proceeds (1),(2)
Per Share	\$0.125	\$0.0125	\$0.1125
10,000,000 Shares	\$1,250,000	\$125,000	\$1,125,000

- (1) The Company may pay fees to bona fide finders of up to 10% of the Gross Proceeds (\$1,250,000) of this private placement.
- (2) No minimum number of Shares must be sold in order for the Company to accept any subscription. All accepted subscription funds will be immediately available for Company purposes without impound or escrow.

RxMM Health Limited
45 Ventnor Ave,
West Perth, WA
6005 Australia
Tel: +61 8 9389 4413

Dated as of February 15, 2016

THE SHARES OFFERED HEREBY ARE HIGHLY SPECULATIVE, INVOLVE A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS."

THERE IS CURRENTLY NO PUBLIC MARKET FOR THE SHARES AND INVESTORS MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE SHARES ARE NOT PUBLICLY TRADED AND NO MARKET EXISTS. CONSEQUENTLY, THE PURCHASE PRICE OF THE SHARES HAS BEEN ARBITRARILY DETERMINED BY THE COMPANY WITHOUT ARM'S LENGTH NEGOTIATIONS AND DOES NOT NECESSARILY BEAR ANY RELATIONSHIP TO MARKET VALUE, ASSETS, BOOK VALUE, OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

WHEN USED IN THIS MEMORANDUM, THE WORDS "FORECASTS," "PLANS," "ESTIMATES," "PROJECTIONS" AND OTHER SIMILAR EXPRESSIONS ARE INTENDED TO QUALIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE DISCUSSED IN "RISK FACTORS," THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM PROJECTED RESULTS. NO ASSURANCE CAN BE MADE AS TO ACTUAL RESULTS. THE COMPANY HAS NO OBLIGATION TO PUBLICLY OR PRIVATELY DISCLOSE ANY REVISIONS TO ANY SUCH FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER FEBRUARY 24, 2009, OR TO SUBSEQUENTLY DISCLOSE THE OCCURRENCE OF UNANTICIPATED NEGATIVE OR POSITIVE EVENTS. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL IMPLY THAT THERE HAS BEEN NO MATERIAL CHANGE IN THE AFFAIRS OF THE COMPANY SINCE FEBRUARY 24, 2009, OR THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE OR CORRECT AS OF ANY SUBSEQUENT TIME.

THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART FOR ANY REASON, OR TO ALLOT TO ANY SUBSCRIBER LESS THAN THE NUMBER OF SHARES SUBSCRIBED FOR, OR TO WAIVE ANY CONDITIONS TO PURCHASE OF THE SHARES.

IN MAKING AN INVESTMENT DECISION, INVESTORS SHOULD RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING POTENTIAL BENEFITS AND RISKS. THE PURPOSE OF THIS MEMORANDUM IS TO AID IN SUCH AN EXAMINATION AND NOT TO BE THE SOLE BASIS FOR AN INVESTMENT DECISION.

EACH OFFEREE MAY MAKE INQUIRIES OF THE COMPANY ABOUT THE COMPANY'S BUSINESS, OR ANY OTHER MATTERS RELATING TO THE COMPANY, AND AN INVESTMENT IN THE SHARES. EACH OFFEREE MAY OBTAIN ADDITIONAL INFORMATION AND / OR DOCUMENTS IN CONNECTION WITH MAKING AN INVESTMENT DECISION BY VERIFYING THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM (TO THE EXTENT THAT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE). ANY DOCUMENT AN OFFEREE WISHES TO REVIEW MAY BE MADE AVAILABLE FOR INSPECTION AND COPYING OR FURNISHED, UPON REQUEST, SUBJECT TO THE OFFEREE'S AGREEMENT TO MAINTAIN SUCH INFORMATION IN CONFIDENCE. ANY SUCH INQUIRIES OR REQUESTS FOR ADDITIONAL INFORMATION OR DOCUMENTS SHOULD BE MADE IN WRITING TO THE COMPANY, ADDRESSED AS FOLLOWS: RxMM HEALTH LTD., ATTN: ROSS LYNDON-JAMES, CEO, 45 VENTNOR AVENUE, WEST PERTH, WESTERN AUSTRALIA 6005; TELEPHONE: +618.9389.4413 FACSIMILE: +618.9389.4400; E-MAIL: Ross@RxMMhealth.com.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, IN CONNECTION WITH THE OFFER OF THE SHARES AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON BY A SUBSCRIBER AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITY OTHER THAN THE SHARES OFFERED HEREBY. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE SHARES TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE COMPANY IS NOT QUALIFIED TO DO SO.

THE STATEMENTS CONTAINED HEREIN ARE BASED ON INFORMATION BELIEVED BY THE COMPANY TO BE RELIABLE. THIS MEMORANDUM CONTAINS SUMMARY REFERENCES TO CERTAIN DOCUMENTED DATA RELATING TO THE COMPANY AND THE PURCHASE OF THE SHARES, AS WELL AS STATEMENTS OF BUSINESS OBJECTIVES THAT REFLECT MANAGEMENT'S OPINIONS ABOUT THE APPLICABILITY OF NATIONAL AND INTERNATIONAL LAWS AND REGULATIONS. SUCH STATEMENTS AND SUMMARY REFERENCES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTATION, LAWS AND REGULATIONS, WHICH WILL BE MADE AVAILABLE TO OFFEREEES ON REQUEST.



RxMM Health Limited

PRIVATE PLACEMENT MEMORANDUM

February 2016



CONTENTS

1.0 EXECUTIVE SUMMARY

2.0 THE MARKET

- 2.1 Scope - USA
- 2.2 Regulation - USA
- 2.3 Australia
- 2.4 Global Markets

3.0 THE OPPORTUNITY

- 3.1 Market Fragmentation
- 3.2 Competitive Landscape
- 3.3 IP & Products
- 3.4 Key Relationships/Partners
- 3.5 Management
- 3.6 Board

4.0 THE STRATEGY

- 4.1 Funding
- 4.2 Corporate Structure
- 4.3 Marketing/Sales
- 4.4 Phased Rollout
- 4.5 Competitive Advantages

5.0 THE FUTURE

- 5.1 Use of Proceeds
- 5.2 Forecasts
 - Revenue & Gross Margin
 - EBITDA & Cash Flow
 - Break Even Analysis
 - Valuation
- 5.3 Share Subscription Agreement

6.0 RISK FACTORS

- 6.1 Key Risks

7.0 APPENDIX/MISCELLANEOUS

- 7.1 Capital Structure
- 7.2 Medical Cannabis History & Benefits



1.0 – Executive Summary

Market:

Legalized Cannabis is the fastest growing industry in the United States with an estimated market value of US\$8 Billion by 2019. Governments, entrepreneurs and the general public are beginning to acknowledge the likelihood of its mainstream acceptance and its exciting potential for widespread commercialization (1).

Within the next 5 years, the legal cannabis industry is projected to out earn the US film industry, the organic foods industry, and more than triple the revenues of the NFL (2).

At the centre of this expansion are the following growth drivers:

1. Acceptance of its medicinal & curative properties by the US medical industry;

- 76% of clinicians polled worldwide by the New England Journal of Medicine believe that the medicinal benefits outweigh potential risks.

2. A progressive cultural shift by the American public toward its deregulation for recreational use.

- The population living in areas where recreational marijuana is legal is expected to exceed 25% by 2017 and 58% of Americans now support legalization in some form or another according to a Gallup poll.

3. Legislative recognition of both of the above by the US Government at both State and Federal level;

- In late December 2015, Congress passed a bill that ends the Federal prohibition on medical marijuana and signals a major momentum shift in drug policy. In the last few years, four states and Washington, DC have legalized recreational cannabis consumption. A further eight states are currently reviewing legislation for its recreational use. With the 2015 Congressional bill ending the involvement of the Federal Government in matters relating to medicinal use and recognizing the State's sovereignty, the next target of policy reform is aimed at achieving the same for recreational usage.

(1) Ref: Marijuana Business Daily, April 9 2014

(2) <http://medicalmarijuanainc.com/about/industry-overview/>

Opportunity:

Due to its history as a Schedule I classified drug in the US, the legal Cannabis industry is very fragmented and has largely been the domain of enthusiastic individual growers and entrepreneurs operating undercover. In this environment, best practices and corporate governance procedures are yet to take hold and the absence of seasoned management, corporate structures and shareholder liquidity has essentially prevented smart capital from participating, despite the significant number of "pink sheet" companies already operating in Canada.

With the predicted rate of demand increasing exponentially, a significant and highly lucrative opportunity exists for a professionally managed, properly governed company with access to capital to establish itself as a dominant market force.

Because of these circumstances, *RxMM Health Limited (RxMM or the Company) has concluded that there is an increasing level of interest from investors and professional fund managers and corporate entities seeking to exploit the dramatic growth occurring in the US market. Currently, the Company has its corporate office in Perth, Western Australia and through its wholly owned subsidiary, RxMM Health Inc., is developing business interests in Southern California.

*Change to public company status in process.

Mission/Strategy:

RxMM is the mainstreaming of legalized marijuana through expert cultivation, branded product development and retail dispensaries.

RxMM's business strategy is based on establishing a large scale, vertically integrated "Farm to Pharma" business with operations across the supply chain, including advanced proprietary high-tech cultivation and commercialization of medicinal cannabis products. These include a retail dispensary chain, development of therapeutic cannabinoid based drugs and delivery devices for regulated markets in the United States and Australia (initially).

The Company's two pronged strategy incorporates its "Down Under" theme for the US retail dispensary chain and the "Cultivated in California" theme for its planned Australian operations. The Australian entry will act as an even earlier stage market opportunity than North America.

To provide investment liquidity, access to growth capital and corporate transparency, RxMM Health plans to list on the Australian Stock Exchange (ASX) in Q3-2016. As a professionally managed, publicly traded company on the world's 8th largest exchange, RxMM will establish prominence in the Australian share market (and later, NASDAQ) and realize leadership status with a substantial market capitalization. This expectation is being progressively confirmed as each news release and milestone is announced*.

Current Status:

Since its formation in Q4 2015, management has focused its efforts on preparing for a successful operational launch in 2016. Results have included the addition of 3 high profile independent US directors to the Board, establishing a small scale production facility in Northern California to fulfill prescriptions, engaging key industry experts in all relevant capacities (legal, distribution, medical, cultivation, banking & finance), acquiring an authorized California Seller's Permit and negotiating on operational objectives including:

- Suitably zoned property lease or purchase in San Diego County
- Acquisition of a state of the art hydroponic cultivation and storage facilities
- State of California distribution agreements
- Branding and trademark registration
- Acquisition of medicinal cannabis operation-annual revenue of approx \$1m
- Arrangements for development of a licensed dispensary chain initially in California
- Acquisition of a global license to patented drug delivery technologies

The Company has also executed an off-take distribution agreement for its future total annual production and successfully completed its first two private equity placements.

Next Steps:

The Company is executing a 3-phase go-to-market strategy in conjunction with preparations for an ASX listing this year. The intended listing strategy involves an Initial Public Offering with a capital raise up to US \$4,500,000.

Phase 1

- Establish advanced hydroponics cultivation facilities in California
- Acquire or develop suitable cannabis strains for medicinal applications
- Generate revenues from the sale of cannabis crops
- Register and copyright product brands and trademarks
- Acquire revenue producing cannabis cultivation assets

Phase 2

- Commence brand building activities
- Acquire FDA approved delivery platforms for clinical sales
- Contract supply of cannabis oils for refinement to therapeutic applications
- Develop a chain of "Australian Themed" licensed retail dispensaries
- Expand operations interstate to increase retail sales revenues
- Develop a strategy for participation in the newly approved Medical Cannabis market in Australia

Phase 3

- Conduct strategically targeted pharmaceutical and OTC product development
- Contract R&D funding for new product development from institutions and government grants
- Develop an Intellectual Property portfolio seeking patent applications for cannabinoid based formulations applicable to a range of critical ailments
- Develop strategic alliances with leading research centres for prototyping and trials
- Market patents for royalty based license revenues from pharmaceutical companies
- Implement NASDAQ listing strategy

2.0 - The Market

Colorado was first to legalize its recreational use in January 2014 and in the following 11 months, US\$700m of recreational and medical marijuana was sold, raising US\$63m in taxes for the state government. This has been cited as an attractive revenue source for States that were formerly on the fence (3).

Another growth trigger is the Federal Department of Justice statement in 2015, that it will take a hands-off approach to the cannabis industry provided companies obey local laws and that state regulations and oversight are strictly administered. Within the next two years industry analysts predict that recreational marijuana will be legalized in eight states, including Arizona, California, Maine, and Nevada. It is expected that California will join Colorado, Washington, Oregon and Alaska, by passing initiatives to legalize recreational marijuana in 2016. A majority of Americans (52%) favor legalization - as a point of comparison, in 1969 that figure was just 12%. CNN's most recent poll conducted on adults below the age of 55 age showed over 70% in favor of legalization (4).

(3) Ref: Washington Post Feb 12, 2015

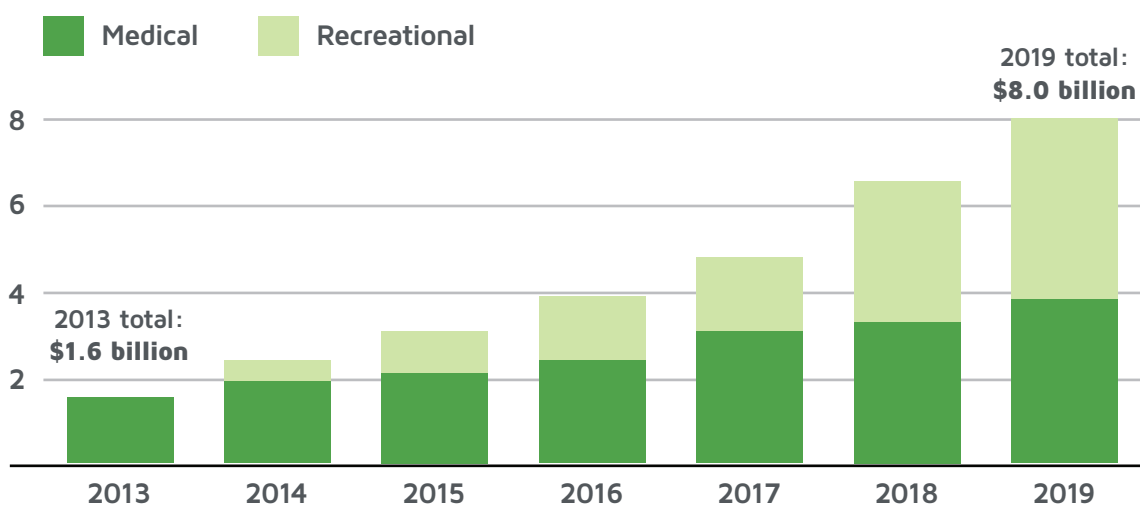
(4) Ref: <http://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf>

2.1 United States Market Scope

Medicinal cannabis in America is rapidly becoming a significant business market. Americans spend an estimated US\$40 billion annually on cannabis (including illegal consumption), which is about 20% of what is spent on cigarettes and alcohol. The legal medical cannabis market estimated at US\$2.5 billion last year, is a small fraction of the overall market, but it's expected to grow to approximately US\$8 billion by the end of 2019, implying a CAGR around 30% (5).

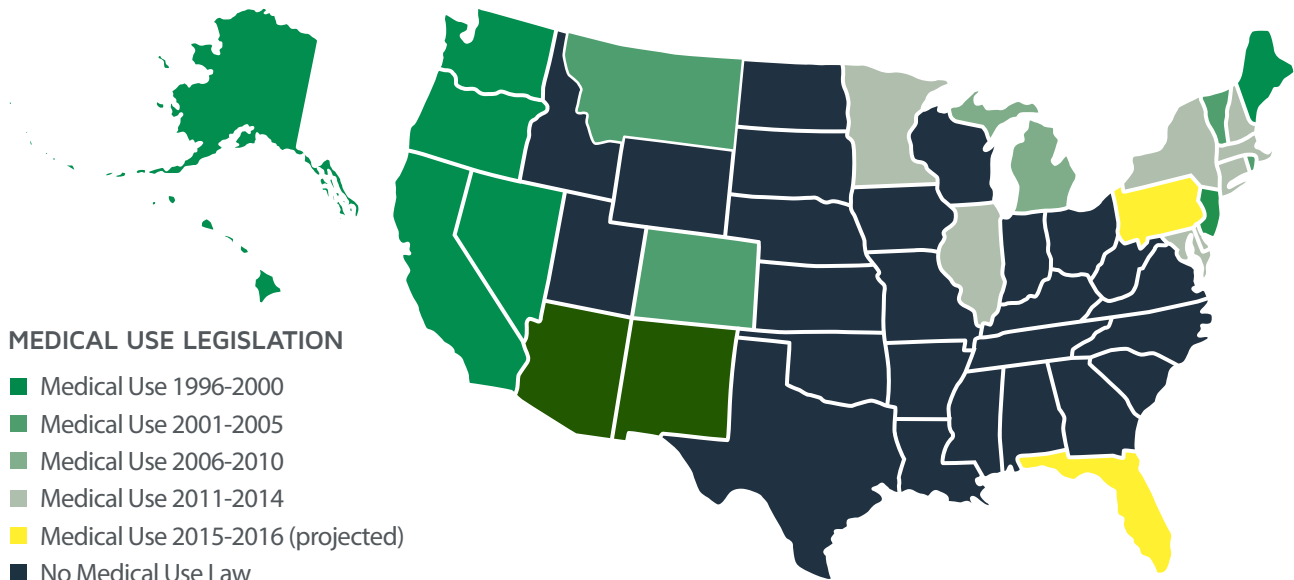
Legal U.S. marijuana sales estimates

Scale in billions of dollars, largest estimates charted



Source: Marijuana Business Daily

2.2 United States Market Regulation



Twenty three states have legalized cannabis for medicinal purposes and in the last few years with four states, and Washington, DC are legalizing it for recreational consumption, and a further eight states are reviewing legislation for recreational use. These numbers are expected to rise towards forty states by 2020 as pending legislation in a number of states is expected to be put into practice in the next several years (6).

(5) Ref: ArcView Market Research

(6) Ref: ArcView Market Research

Medical Marijuana Operating Certificates are currently issued under city and county regulations to non-profit co-operatives. In October 2015, California passed new legislation governing the production, distribution and dispensing of medical marijuana. It is a widely held view that the number of operating dispensaries is much greater and that licenses will be issued for the sale of recreational marijuana in California within the next year, following the Colorado model.

The legalization of medical marijuana is the key driving force behind the increasing attractiveness of the US market, despite medical marijuana still not being legal at the federal level. Recently, The Department of Justice has stated it will not seek to block or substantially alter adult-use marijuana laws in in States where it is already medically legal at this time - a major win for the cannabis industry that signals a tipping point in the government's approach to the drug (7).

Recently, new Senate legislation has passed shielding medical marijuana patients from federal prosecution in states that have legalized marijuana for medical purposes. Other pending legislation is calling to reclassify marijuana from a Schedule I drug, which has no medical benefit and includes recreational drugs (like LSD and heroin), to a Schedule II drug, which has an accepted medical use.

(7) Ref: Los Angeles Times, Congress quietly ends federal government's ban on medical marijuana, Dec 16 2014

2.3 Australia

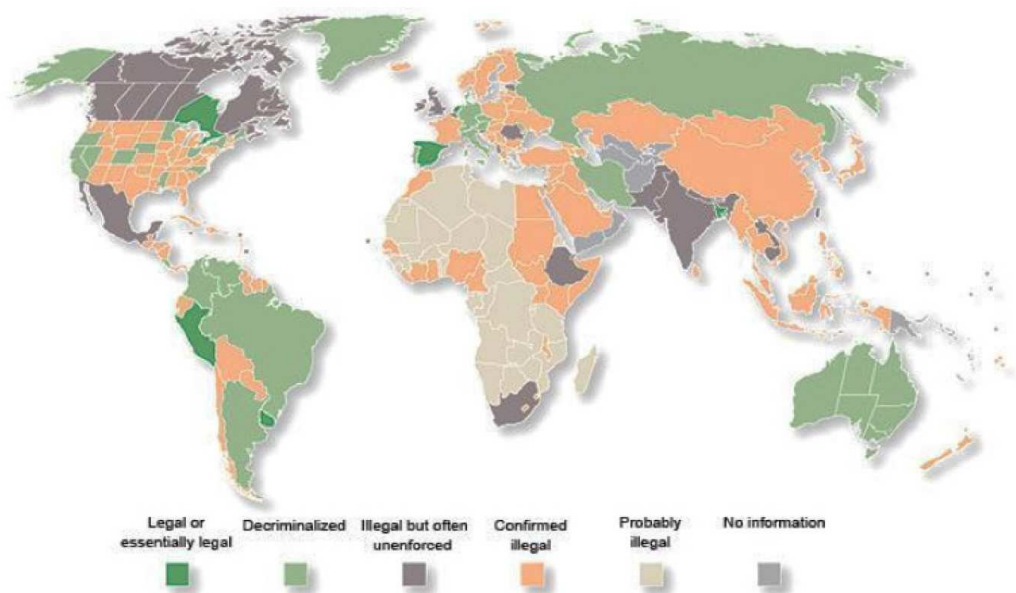
The federal Government will introduce a national scheme to legalise medicinal cannabis by licensing growers in 2016. This is expected to pave the way for a local industry. Health Minister Susan Ley stated in December 2015 that the government had drafted legislation to establish a single scheme for growers in all states and territories which would be introduced in Parliament's first sitting in 2016.

New South Wales has announced several trials to start in 2016 including epilepsy in children and pain relief in adults. Additionally, Victoria aims to become the first state to legalize medical marijuana in Australia by introducing the Access to Medicinal Cannabis Bill 2015 on 10 December 2015 (8).

(8) Ref: ArcView Market Research

On February 10, 2016 landmark medicinal cannabis legislation was introduced by the Australian Federal Government providing the "missing piece" for Australian patients and their doctors to access a safe, legal and reliable supply of medicinal cannabis products for the management of painful and chronic conditions. The Minister for Health announced the amendments to the Narcotics Drugs Act 1967 which would allow the controlled cultivation of cannabis for medicinal or scientific purposes through one single national licensing scheme.

2.4 Other Global Markets



Canada

The market for medicinal use is estimated at C\$144 million in 2014, rising to C\$380 million by 2018 and expected to grow by 23% a year to C\$1.3bn in the next 10 years. Official forecasts predict that approved patients will grow to 1.2% of the total population in 10 years. The industry is predicted to grow at CAGR of 25%-28% to more than 400,000 patients and C\$1.4bn market in 2024.

Europe

Medical cannabis is currently imported (in small quantities) from the Netherlands and used by patients in 10 European countries. The largest markets are: France, Italy, Netherland and Romania.

3.0 – The Opportunity

3.1 Market Fragmentation

Due to its business structure and professional management the Company is experiencing a growing level of interest from investors and professional fund managers seeking ways to participate in America's fastest growing industry. Historically, this source of capital has been severely constrained, due in part to:

- Marijuana still being illegal at the federal level
- “Mom & Pop” small farming operations
- Its historical “underground” nature
- A fragmented supply chain
- Lack of properly organized, professionally managed businesses
- Virtually no corporate governance or financial transparency
- Illiquid structures for investment returns

3.2 Competitive Landscape

The future of medical marijuana lies in medically accepted products for the management of neuropathic pain, hypertension, post-stroke neuroprotection, multiple sclerosis, epilepsy, cancer, and other disorders. An example list of publicly traded companies that have entered or are intending to enter the medicinal cannabis markets are listed as follows:

NAME	COUNTRY	BUSINESS ACTIVITY
Aphria Inc	Canada	Licensed Marijuana producer
Bedrocan Cannabis Corp	Canada	Pharmaceutical grade medicinal cannabis
Mettrum Health Corp	Canada	Licensed producer of medical cannabis
OrganiGram Holdings Inc	Canada	Licensed producer of organic medical marijuana
Tweed Marijuana Inc	Canada	Licensed producer of medical cannabis
Cannabis Science, Inc	USA	OTC traded biotech company in Colorado
Medical Marijuana Inc	USA	OTC traded business solutions and partnerships
GW Pharmaceuticals plc	UK & USA	Owns a patented (MS) product – Sativex

3.3 IP & Products

The Company is undertaking development & commercialization of cannabinoid therapeutic products from unique strains of cannabis to treat a variety of clinical indications using hydroponic cultivation technology and methods.

Through its relationship with industry leading hydroponics expert A&B Nutrients Pty Ltd, the Company has obtained exclusive access in the US (for cultivation of cannabis) to proprietary growth systems and customized hydroponic nutrient solutions which significantly impacts yield quality, scent, flavor, moisture content, texture and coloration.



RxMM's team has previously designed and built large, state-of-the-art hydroponic cultivation systems. Installations include Australia, Japan, Fiji, New Guinea, Middle East and China.

Hydroponic Systems Include:

- Exclusive nutrients with CO₂ proven to increase plant yields by ~50%
- A proprietary "guarded method" for applying CO₂
- Automated PH level and conductivity controls for different growth periods
- Very high gauss magnetic water treatment system
- Automated climate control and ventilation system
- Irrigation water cooling to reduce energy cost for evaporative cooling
- Solar power generated from a clear glass section of greenhouse roof
- Solar Weave greenhouse enclosure for optimal light diffusion
- 96% less water consumption compared with conventional cultivation

3.4 Key Relationships/Partners

Cali Green Medical Cannabis Distribution

Cali Green has been engaged in the cannabis industry for 15 years as a grower and broker and has established successful hydroponic and outdoor growing operations and accumulated extensive cultivation experience. Working as a Broker with the top medical marijuana dispensaries in Los Angeles, California, Cali Green has experience in adjusting to seasonal and market demands and has a substantial network of outlets and clients throughout California, Washington, and Colorado. Cali Green currently manages the distribution of large inventories of medical marijuana production with an experienced team servicing its market. In addition to its distribution capacity, Cali Green is providing technical consulting services to the Company to support its commercial objectives.

Aculed LLC

The Company has engaged Aculed, a well-established medical marijuana business consulting firm to advise and assist the development, branding and promotion of a retail division into licensed dispensary outlets initially in California. This will involve application for new State licenses as well as acquisition of established dispensary outlets. Aculed will also assist the Company with product sourcing and distribution of its proprietary medical products to other dispensaries and legally approved retail chains in all regulated states.

Arthur D Hodge

Mr. Hodge has been on the forefront of the legal California medical marijuana industry as a civil attorney in practice since 1992. For over a decade, Mr. Hodge has represented medical marijuana dispensaries, collectives, cultivators, as well as individuals and landowners involved in the medical cannabis industry with civil and compliance matters. As a graduate of University California, Irvine, he delivered the commencement address in 1989 for the school of social studies. During his legal studies at the University of San Diego, Mr. Hodge was awarded American Jurisprudence Awards in the fields of Constitutional Law as well as Products Liability.

3.5 Management

CEO - Ross Lyndon-James

Over a thirty five year entrepreneurial business career, Ross has co-founded, funded and developed a number of publicly traded companies encompassing breakthrough semiconductor (ferroelectric) memory chip development and manufacturing (Ramtron), smart watch & smart tag RFID technologies (Intag/AWA microelectronics) renewable energy systems (PowerHouse Energy) and reverse osmosis water treatment, Imax entertainment theatres and apparel manufacturing (Sporte Leisure). He has extensive experience in the capital markets having conducted several IPOs, reverse mergers and business acquisitions in Australia, the United States and the United Kingdom in the capacity of Co-founder, Chairman, President and CEO.

CFO - Fiona Morgan FCCA FCIS FMAAT

Fiona has 28 years of experience in finance, administration and corporate governance, working for a range of leading public and private companies in Australia, Singapore and the UK including Invensys & Integra Global. Fiona is a Chartered Accountant and a Chartered Secretary and currently operates a Finance and Corporate Governance consultancy business in Perth.

Production Manager - Michael Agius

Michael is a pioneer of state-of-the-art Australian hydroponics with over 34 years' experience designing and formulating hydroponic solutions, specializing in customized solutions for a broad spectrum of vegetable species and marijuana growth nutrients. Michael has built and provided expert training to large farms in Australia and overseas providing his knowledge and expertise in diverse locations ranging from the tropical climates of Papua New Guinea and Fiji, the desert climates of the Middle East to snowy Hakuba in Japan. He is also an accomplished manager and entrepreneur, operating his own hydroponic seedling farm producing over 200,000 seedlings per week.

New Projects Director - SVP, Bill Courtney

Bill has 35 years of international experience in business development, intellectual property and intellectual property technology transfer, specializing in worldwide distribution, bringing technology to market to capitalize on worldwide trends. Bill has specialized in business development for hydroponics which has involved ensuring timely completion of projects, achievement of financial project objectives with respect to contractual obligations, client satisfaction and company standards. His relationships have been instrumental in the early development of RxMM Health Ltd. Prior to specializing in hydroponics, he managed the acquisition of existing of hydroponic technologies across multiple industries, including leaky pipe sub-surface irrigation systems and revolutionary aeration systems.

Business Development & Marketing - EVP, Frank Layton

Frank has a varied and diversified entrepreneurial background with over 30 years of business experience in real estate finance, real estate securities and venture capital. During the 80's, Frank represented real estate development companies as VP of Investor Relations and as a registered representative raised in excess of \$200 million a year through NASD registered firms in the western United States. Moving into the "Venture" arena in the 90's, Frank managed a series of successful capital raises for private companies in excess of \$50 million. As a native Californian Frank has studied the beginnings of the Medical Marijuana Industry's legal and market development from early inception in 1996 through to its current rapid growth stage and his relationships have been instrumental in the early development of RxMM Health Ltd.

3.6 Board of Directors

Chairman - Non Executive - Alan Valdes

Alan is a contributing editor for CNBC, is seen weekly on CNN, Bloomberg TV, World News Tonight, CBS Nightly News, Fox Business, Associated Press TV, and is a frequent guest on CBS Radio. Worldwide he is seen on French 1TV, Sky Channel in Australia, Bloomberg India, CCTV in China and Brazilian TV.

On the Internet, he is on Reuters.com, Wall Street Multi Media, TheStreet.com, DowJones.com, and is often quoted in the Wall Street Journal.

Mr. Valdes is Chairman; Diego Pellicer, a global leader in property acquisitions and leasing to the Cannabis Industry and Chairman; Wall Street Capital Partners, a boutique corporate finance advisory with offices in New York, London and Hong Kong. Alan also sits on the board of Huade International, is a director of Xheng Fa University Law School (Chinese Exchange Lecture Series), director of Huade Cavendish Gold Fund, a professor of business at New York Institute of Technology, executive committee member of the United Nations Council on Energy, a member of the Worldwide Water Foundation, holds an honorary degree from the Paris School of Business in France.

Deputy Chairman - Executive - Brian Harcourt

Brian started his career with Western Underwriters Pty Ltd (one of Australia's largest private insurers, purchased by QBE) as an accountant before working his way to CEO. Brian has been involved in Australia, Asia, UK and USA as a business developer and entrepreneur for over 40 years. He has operated offices in New York, San Francisco, Denver, London, Beijing, Hong Kong, Sydney and Perth and has conducted IPOs, reverse mergers or business acquisitions in all of these cities. He has also served as a Senior Advisor to one of the world's largest commodities traders and had major business dealings with governments and Ministers in Russia, China and USA.

Director - Chief Executive Officer - Ross Lyndon- James

See 3.3: Management

Director - Non Executive - M. Kerry O'Banion M.D., Ph.D

Kerry is an internationally recognized scientist specializing in brain inflammation, epilepsy, brain radiation, and many neurological disorders. A veteran, in neuroscience, Dr. O'Banion's current research focuses upon pro-inflammatory cytokines and lipid mediators in traumatic brain injury, Alzheimer's disease, radiation injury, and psychiatric illnesses. Dr. O'Banion is a distinguished leader at the University of Rochester Medical Center where he directs the NIH-funded Medical Scientist Training Program as Principal Investigator and serves as the Director of Medical Neurosciences courses. Dr. O'Banion is a research leader in individual and program grants with an outstanding record of NIH funding. His research in neuro-inflammation provided the mechanistic underpinnings that led to the development of Vioxx and Celebrex, the COX-2 inhibitor pain relievers, for which he and colleagues were awarded U.S. patents. As a result he was appointed Assistant Professor of Neurology, and initiated research into neuro-inflammation and its role in neurodegenerative disease. Dr. O'Banion received both his M.D. and Ph.D. degrees from the University of Illinois, School of Medicine, at Urbana - Champaign, IL, where he graduated Summa Cum Laude and served as valedictorian for his graduation class.

Director - Non Executive - David L. Felten M.D., Ph.D

David was recently Vice President, Research, and Medical Director of the Research Institute at Beaumont Health System, and the founding Associate Dean for research at the Oakland University William Beaumont School of Medicine. He oversaw the clinical translational research and basic research. Dr. Felten received a B.S. from the Massachusetts Institute of Technology in 1969, an M.D. from the University of Pennsylvania in 1973, and a Ph.D. in anatomy/neurosciences through the Institute for Neurological Sciences at the University of Pennsylvania in 1974. He has received numerous honors and awards, including the John D. and Catherine T. MacArthur Foundation Prize Fellowship, and two separate 10-year MERIT Awards from institutes (Aging, Mental Health) at the National Institutes of Health.

4.0 - The Strategy

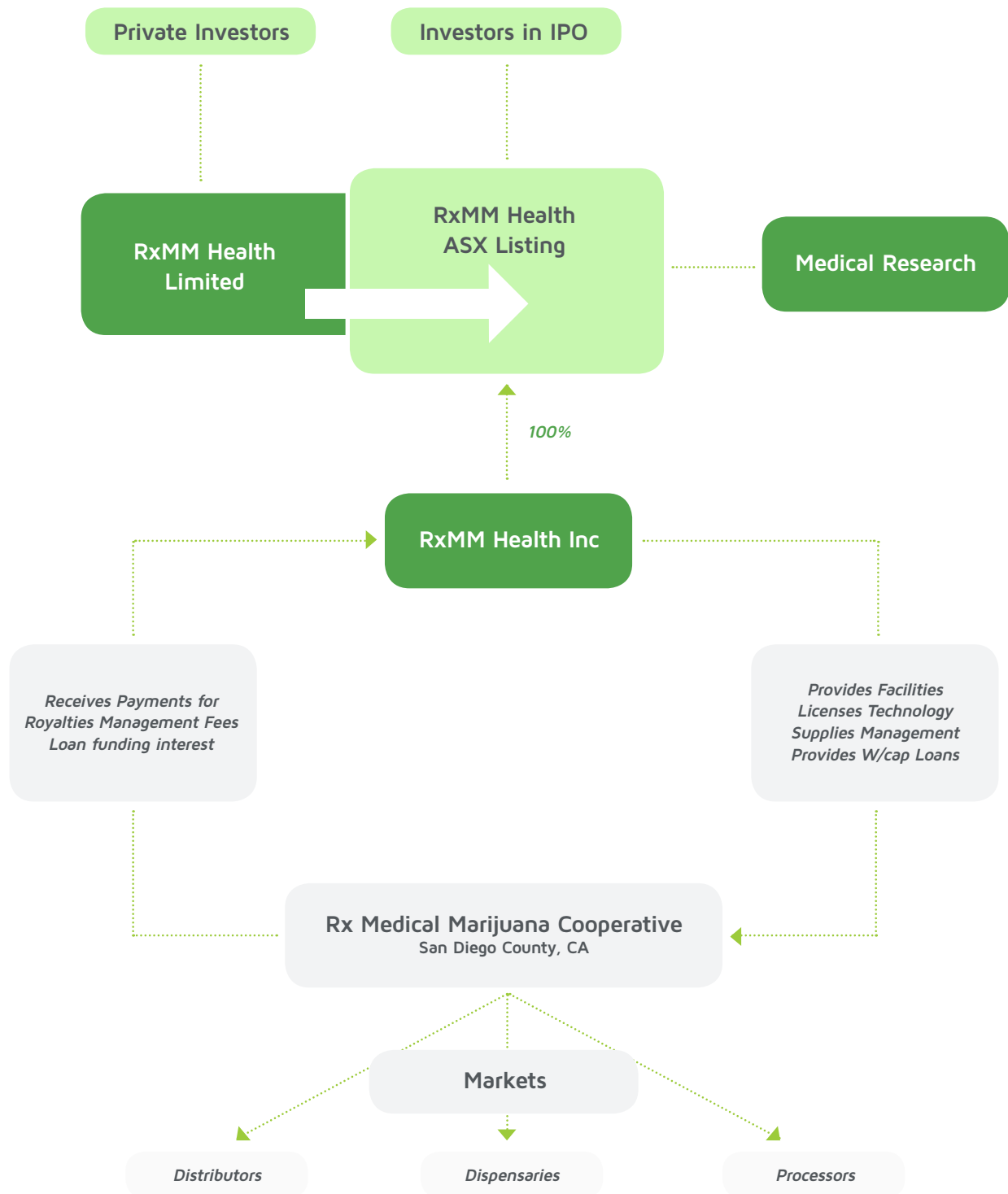
4.1 Funding

RxMM's funding is being staged progressively, with its initial private placement of US\$330,000 completed in January 2016. The Company's second round of US\$1,000,000 has commenced in Q2 and proceeds will be used for US business development, cultivation operations, business and license acquisitions, audit and legal due diligence services in preparation for the Australian Stock Exchange public listing. Subject to requirements, a final pre IPO mezzanine placement of up to US\$2,000,000 may be placed prior to listing, with a capital raise of up to US\$4,000,000. Funds will be used to finalize suitable land acquisition, build and commission greenhouse hydroponics cultivation facilities, acquire income producing medicinal cannabis operations, develop the initial dispensary outlets and establish initial medicinal cannabis product development program.

4.2 Corporate Structure

RxMM is the ultimate holding company of the US business and will be publicly traded on the Australian Stock Exchange following its planned IPO onto the ASX targeted in Q2/3 2016. This ASX listing will provide capital required by RxMM Health Inc., to develop US Operations and facilitate direct access to capital markets. It will also provide capital loans, facilities, technology, management and expertise to Rx Medical Marijuana Cooperative Inc., in return for management fees, facility rent, license fees and royalties.

Corporate Structure



4.3 Sales & Marketing Strategy

The Company's business strategy for revenue generation is to be a "going concern" from the outset instead of a "concern trying to get going" and is based on a three phase approach to achieve revenue as early as possible prior to its ASX listing.

Phase 1 - Production and Sale of Medicinal Cannabis

- 1.1 An initial growing operation under a lease agreement has been established near Santa Rosa in Northern California and first supply commenced in late 2015 to patients with authorized medical prescriptions. This arrangement has enabled the Company to be "grandfathered" in line to qualify for a medicinal cannabis license in 2018 from the California State Government.
- 1.2 The Company is negotiating the acquisition of an established medical cannabis operation generating approximately US\$1 million per year. This production will supplement its initial growing operation outlined above and the transaction is planned to close prior to the Company's listing on the ASX targeted for mid 2016.
- 1.3 RxMM has a binding Letter of Intent for an off-take purchase agreement with Cali Green Medical Cannabis Distribution, (Cali Green). Cali Green is a well-established California Distributor and is seeking the entire annual production output from Rx Medical Marijuana Co-operative's planned 22,000 square foot greenhouse facility. Subject to final specifications and pricing, Cali Green will purchase up to 4,000kg of plant material per year.

The Company intends to establish agreements with additional distributors and has commenced initial discussions with a suitable third party.

Phase 2 - Retail Medicinal Cannabis Dispensary Sales

- 2.1 RxMM is pursuing a marketing strategy initially in California to develop a chain of Australian themed retail dispensaries to promote the sale of its branded products. This involves applying for CA state government licenses and/or purchasing established licensed dispensary businesses and re-branding them. Current potential locations include San Francisco, Los Angeles, Orange County and San Diego.
- 2.2 The Company intends to appoint an Australian celebrity (known in the US) as its medicinal cannabis Brand Ambassador with rights to use that celebrity's image and personal endorsement to promote its products and licensed dispensaries.
- 2.3 Based on a minimal serving of 250 - 350 patients a day, typical medicinal dispensary revenues average approximately US\$350,000/month per outlet and higher volume stores serve up to 350-450 patients per day with revenues around US\$600,000 per month. Revenues are expected to increase by more than 500% when California approves the sale of recreational marijuana, anticipated in 2016.

Phase 3 - Medicinal Cannabis Therapeutic Product Sales

Under the guidance of its Medical Directors the Company will be developing pharmaceutical products addressing various conditions including the management of neuropathic pain, hypertension, post-stroke neuroprotection, post chemotherapy patient conditions, multiple sclerosis, epilepsy, cancer, and other disorders. The following revenue sources are expected to generate substantial sales for the Company:

- 3.1 Novel prescription medicines through licensed dispensaries and potential licencing and royalty revenues from pharmaceutical companies.
- 3.2 Drug delivery technology and devices through hospitals and licensed dispensaries and potential licensing and royalty revenues from pharmaceutical companies.
- 3.3 Cooperative development and product marketing partnerships with pharmaceutical companies.
- 3.4 Research and development grants from government agencies and other institutions.

4.4 Competitive Advantages

Corporate

- Public company with direct access to capital markets for funding
- Accomplished Board of Directors and experienced professional management
- In-house investment banking, public company and capital raising expertise
- Internationally experienced executive management team
- Robust business development and acquisition strategy

Technical

- Highly qualified scientific and medical expertise
- New product development capabilities
- State-of-the-Art Hydroponics technology
- Cannabis cultivation and processing expertise

Marketing & Sales

- Distribution agreements
- Australian themed marketing strategy
- Social media/networking/PR capability
- High level market/industry relationships
- Strategy and currency for business acquisitions and joint ventures

4.5 Timetable

STRATEGIC PLAN TIMETABLE	COMPLETED 2015	PENDING Q1-16	TARGETED Q2-3-16
Phase 1 - Corporate			
Incorporate RxMM Health Inc. as 100% owned US subsidiary			
Engage US Legal Counsel experienced in the cannabis industry			
Establish a US shareholder base and complete a private placement for US\$300,000			
Expand the Australian Board of Directors to include US professional directors			
Restructure RxMM Health Pty Ltd from private to public company status			
Secure option to acquire a revenue producing (approx \$1m) cultivation operation			
Phase 1 - Operations			
Incorporate Rx Medical Marijuana Cooperative Inc.			
Establish small scale medicinal cannabis facility in Northern California			
Obtain a California State Board of Equalization Sellers Permit			
Secure an off-take distribution agreement for total annual production			
Acquire a suitably zoned property for greenhouse cultivation			
Establish an advanced hydroponics cultivation facility in San Diego County			
Generate sustainable revenues from the sale of cannabis plant materials			
Acquire and/or develop proprietary plant strains for certain medical applications			
Phase 2 - Corporate			
Complete 2nd private placement for US\$1,250,000			
Engage US Public relations firm with experience in cannabis industry			
Secure executive for acquisition/development of Medical Dispensary division			
Expand US management team			
Phase 2 - Operations			
Commence acquisition of FDA approved delivery platforms for clinical applications			
Develop a range of cannabinoid based formulations/products			
Sub contract supply of cannabis oils for refinement into therapeutic applications			
Acquire and/or develop a chain of "Australian Themed" licensed dispensaries			
Generate sustainable revenues from retail sales of products			
Phase 3 - Corporate			
Complete RTO listing on ASX			
Raise \$4m in new equity			
Execute the option and acquire \$1m of revenue producing medical cannabis			
Phase 3 - Operations			
Acquire FDA approved delivery platforms for clinical sales			
Initiate strategically targeted product development			
Seek R&D funding from Cancer related institutions and Aust government grants			
Develop an IP portfolio seeking patent applications for cannabinoid formulations			
Develop strategic alliances with research centres for prototyping and trials			
Market patents for royalty based license revenues from pharmaceutical companies			

5.0 - THE FUTURE

5.1 Use of Proceeds

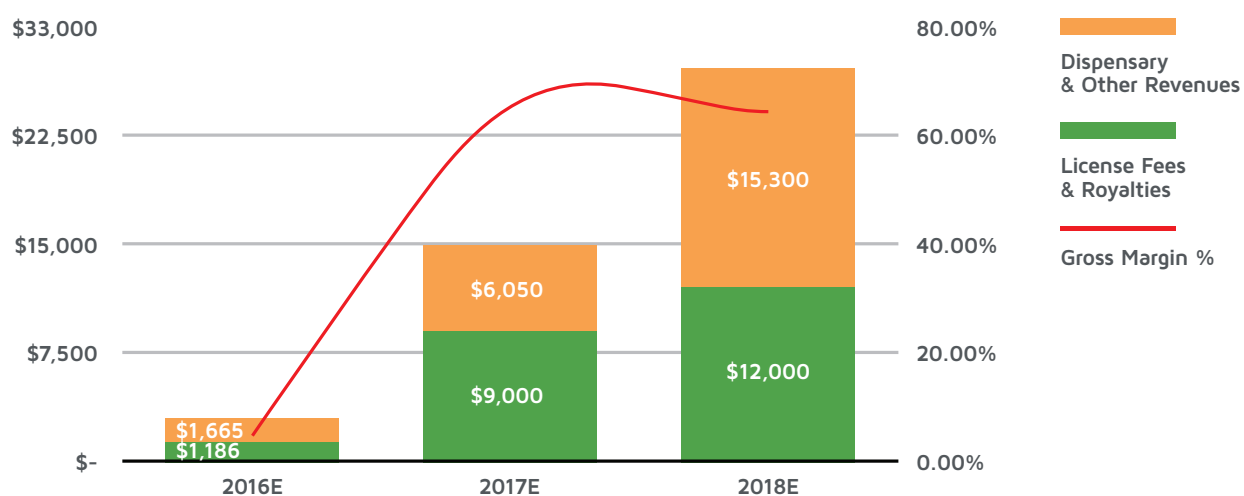
USE OF PROCEEDS - US \$5,000,000	
AUD Amount	\$7,130,000
IP PURCHASES COSTS	200,000
LAND & PROPERTY PURCHASE COST	400,000
GREENHOUSE PRODUCTION FACILITIES	1,050,000
DISPENSARY LICENSE/BUSINESS ACQUISITION	2,800,000
CANNABIS BUSINESS ACQUISITION	1,600,000
OPEX & WORKING CAPITAL	1,080,000
	\$7,130,000

5.2 Forecasts

EBITDA & Cash Flow

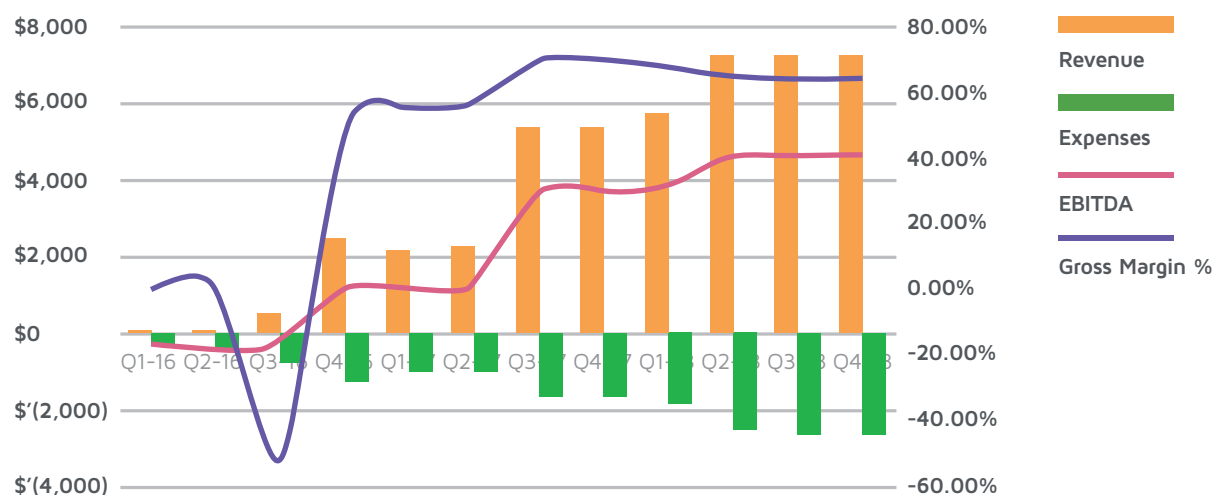
FINANCIAL PROJECTIONS - YEARLY			
NUMBERS IN AUD \$000'S	2016E	2017E	2018E
LICENSE FEES & ROYALTIES	\$1,286	\$9,000	\$12,000
DISPENSARY & OTHER REVENUES	\$1,665	\$6,050	\$15,300
REVENUE	\$2,951	\$15,050	\$27,300
GROSS MARGIN %	4.68%	65.52%	64.72%
EBITDA	\$138	\$9,860	\$17,669
CASH FLOW	\$1,319	\$3,552	\$8,018

Revenue & Gross Margin



*Numbers in AUD \$000's

Break Even Analysis & Valuation



*Numbers in AUD \$'000'

VALUATION TABLE

Assumptions and Inputs

Valuation Output

DISCOUNT RATE	20%	NET PRESENT VALUE	\$41,000,000
LONG TERM GROWTH RATE	5%	TOTAL OUTSTANDING SHARES	43,000,000
CORPORATE TAX RATE	30%	NET PRESENT VALUE PER SHARE	\$0.95

5.3 Subscription Agreement

SHARE SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made onday of.....2016

BETWEEN

RxMM Health Pty Limited, ACN 609 428 364 of 45 Ventnor Avenue, West Perth, Western Australia, a corporation governed by the laws of Australia (the "Corporation")

AND

RECITAL

The Corporation wishes to issue and sell Ordinary Shares in the capital of the Corporation to the Investors, and the Investors wish to purchase Ordinary Shares, on the terms set out in this Agreement.

THE PARTIES agree as follows:

1. Subscription. The undersigned hereby tenders this subscription and applies to purchase Ordinary Shares of the Corporation, pursuant to the terms of this Share Subscription Agreement ("Agreement"). The undersigned Subscriber will purchase the Ordinary Shares at a price of US\$0.10 per share.
2. Representations and Understandings. The undersigned hereby makes the following representations, warranties and agreements and confirms the following understandings:
 - (A) The undersigned has received access to the "Information Memorandum" on the Corporation, through the website www.RxMMhealth.com and has reviewed it carefully, and has had an opportunity to question representatives of the Corporation and obtain such additional information concerning the Corporation as the undersigned requested. The undersigned is acquiring the Shares for investment purposes for the undersigned's own account only, with no intention or view to distribute the Shares or any participation or interest therein.
 - (B) The undersigned has sufficient experience in financial and business matters to be capable of utilizing such information to evaluate the merits and risks of the undersigned's investment, and to make an informed decision relating thereto; or the undersigned has utilized the services of a purchaser representative and together they have sufficient experience in financial and business matters that they are capable of utilizing such information to evaluate the merits and risks of the undersigned's investment, and to make an informed decision relating thereto.
 - (C) The undersigned has no need for any liquidity in this investment and is able to bear the economic risk of this investment for an indefinite period of time. The undersigned has been advised and is aware that: (i) there is no public market for the Shares and an active public market for the Shares may not develop; and (ii) it may not be possible to liquidate the investment readily.

(D) The undersigned has relied solely upon the information provided to him and independent investigations made by him or his purchaser representative with respect to the Shares subscribed for herein, and no oral or written representations beyond the Offering have been made to the undersigned or relied upon by the undersigned.

(E) The undersigned agrees not to transfer or assign this subscription or any interest therein.

(F) The undersigned hereby acknowledges and agrees that, except as may be specifically provided herein, the undersigned is not entitled to withdraw, terminate or revoke this subscription.

(G) If the undersigned is a partnership, corporation or trust, it has been duly formed, validly exists, has full power and authority to make this investment, and has not been formed for the specific purpose of investing in the Shares. This Agreement and all other documents executed in connection with this subscription for Shares are valid, binding and enforceable agreements of the undersigned.

(H) The undersigned meets any additional suitability standards and/or financial requirements, which may be required in the jurisdiction in which he resides, or is purchasing in a fiduciary capacity for a person or account meeting such suitability standards and/or financial requirements, and he is not a minor.

4. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of California.

The Undersigned has (have) hereby subscribed for _____ shares at a purchase price of US \$0.125 per share for a total purchase amount of \$ _____ on this _____ day of _____ 2016.

Purchaser (1)

Signature

Print Name of Subscriber

Street Address

City and Postal Code

Purchaser (2)

Signature

Print Name of Subscriber

Street Address

City and Postal Code

6.0 – Risk Factors

6.1 Key Risks

The business, assets and operations of our Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of our Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited. Set out below are specific risks that the Company is exposed to.

Risks related to our business – growing facilities:

If the Company achieves its short to medium goal of operating growing facilities in California the Company's business will involve the growing of medical cannabis and be exposed to the following risks:

The Company's business will involve the growing of medical cannabis, which is an agricultural product. As such the business will be subject to the risks inherent in the agricultural industry, such as insects, plant diseases, storm, fire, frost, flood, drought, water availability, water salinity, pests, bird damage and force majeure events. Although the Company plans to have both indoor and outdoor growing operations under climate controlled conditions and employ trained personnel to carefully monitor the growing conditions there can be no assurance that natural elements will not have a material adverse effect on the production of the growing operations. The key inputs include raw material and supplies related to growing operation as well as electricity, water and other local utilities. Any significant interruptions or negative changes in the availability of economics of the supply chain for the inputs could materially impact the business, financial condition and operating results of our Company. Due to the nature of the product some of these inputs may only be available from single suppliers or a limited group of suppliers. Any restrictions on the ability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact of the business, financial condition and operating results of the Company. These risks will arise if our Company's medical cannabis is alleged to have cause significant loss or injury. In addition, the manufacture of medical cannabis involves the risk of injury to consumers due to tampering by unauthorised third parties or product contamination. Previously unknown adverse reaction resulting from human consumption of medical cannabis alone or in combination with other medication or substances could occur. The Company may be subject to various product liability claims, including among others that the Company's products caused injury or illness, inadequate instructions for use or warnings concerning possible side effects. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally and could have a material adverse effect on our results of operations and financial conditions.

Risks related to our reliance upon third parties:

As a manufacturer and distributor of products designed to be ingested by humans our Company will face an inherent risk of exposure to product liability claims, regulatory action and litigation. Our ability to research, develop and commercialize our products is dependent on our ability to maintain licenses relating to the cultivation, possession and supply of controlled substances. Our ability to grow medical cannabis will be dependent on a number of key inputs and their related costs. Any growing operations that our Company participates in will be subject to agricultural risks.

In order to carry out research in countries other than the USA, similar licenses to those outlined above are required to be issued by the relevant authority in each country.

Additionally, any proposed grow operations that are developed in California will be subject to the licenses required and other applicable legislation and regulations enforced in those countries. Accordingly, the amount of medical marijuana our Company is able to produce will be capped and ultimately this will restrict the amount we can sell, at least whilst no further legislation is in operation.

Risks related to development and regulatory approval of our product candidates:

Most countries are parties to the Single Convention on Narcotic Drugs 1961, which governs international trade and domestic control of narcotic substances, including cannabis extracts. The Company's operations are subject to a variety of laws, regulations and guidelines. The medicinal cannabis industry is evolving worldwide and in Australia and has been identified as possibly posing risks in relation to law enforcement and government regulation. It is likely that governments worldwide, including Australia, will continue to explore the benefits, risks, regulations and operations of Company's involved in medical cannabis. While to the knowledge of management, the Company is currently in compliance with all current laws, changes to laws and regulations due to matters beyond the control of the Company may cause adverse effects to its operations. The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial position and financial performance of the Company and its Shares. In addition there is a risk that legal action may be taken against the Company in relation to commercial, legal, regulatory or other matters. Controlled substance legislation differs between countries and legislation in certain countries may restrict or limit our ability to sell our proposed products. We will rely on the continued reliable operation of third parties' systems and networks and, if these systems and networks fail to operate or operate poorly, our business and operating results will be harmed.

Medical Risks related to our intellectual property:

We may be forced to litigate to enforce or defend our intellectual property rights against infringement and unauthorized use by competitors, and to protect our trade secrets. In so doing, we may place our intellectual property at risk of being invalidated, unenforceable, or limited or narrowed in scope. Further, an adverse result in any litigation or defence proceedings may place pending applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their intellectual property rights, this may adversely affect our ability to develop and commercialize our product candidates and prevent competitors from making, using, and selling competing products. Any such litigation could be very costly and could distract our management from focusing on operating our business. The existence and/or outcome of any such litigation could harm our business, results of operations and financial condition. Further, because the content of much of our intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, we may face additional difficulties in defending our intellectual property rights. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential and proprietary information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Shares.

Our success will depend, in part, on our ability to obtain patents, protect our trade secrets and operate without infringing on the proprietary rights of others. We rely upon a combination of patents, trade secret protection (i.e., know how), and confidentiality agreements to protect the intellectual property of our proposed products. The strengths of patents in the pharmaceutical field involve complex legal and scientific questions and can be uncertain.

Where appropriate, we seek patent protection for certain aspects of our products and technology. Filing, prosecuting and defending patents throughout the world would be prohibitively expensive, so our policy is to patent commercially potential technology in jurisdictions with significant commercial opportunities. However, patent protection may not be available for some of the products or technology we are developing. If we must spend significant time and money protecting or enforcing our patents, designing around patents held by others or licensing, potentially for large fees, patents or other proprietary rights held by others, our business, results of operations and financial condition may be harmed. We may not develop additional proprietary products that are patentable. The patent positions of pharmaceutical products are complex and uncertain. The scope and extent of patent protection for our proposed products are particularly uncertain. Furthermore, others may independently develop similar products, may duplicate our products, or may design around our patent rights. In addition, any of our issued patents may be declared invalid. If we fail to adequately protect our intellectual property, we may face competition from companies who attempt to create a generic product to compete with our proposed products. We may also face competition from companies who develop a substantially similar product to one of our proposed products that is not covered by any of our patents. Many companies have encountered significant problems in protecting and enforcing intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents and other intellectual property rights, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

7.0 - Appendix/Miscellaneous

7.1 Capital Structure

PROFORMA CAP STRUCTURE 26.02.2016		
Details of Shares & Options	Shares	Options
ON ISSUE	9,500,000	4,500,000
SUBTOTAL SHARES	9,500,000	
SHARE PLACEMENT JAN US \$330,000 @ \$0.05-10/SHARE	6,038,250	
SHARE PLACEMENT MAR US \$1,250,000 @ \$0.125/SHARE	10,000,000	
SHARE PLACEMENT MAY US \$1,000,000 @ \$0.20/SHARE	5,000,000	
SUBTOTAL SHARES & OPTIONS	30,538,250	4,500,000
ASX LISTING ISSUE - RTO US \$4M @ EST.\$0.30/SHARE	13,333,333	
DIRECTORS OPTION		2,000,000
EMPLOYEES OPTIONS		2,000,000
TOTAL AT LISTING	43,871,587	8,500,000

Note 1: The Company has issued Performance Rights to Management for the issue of up to 30,000,000 ordinary shares to be earned for future achievement of market capitalization milestones in increments from US\$20m, US\$40m and US\$60m. Based on the expected issued capital, these milestones equate to share prices of \$0.45, \$0.65 & \$0.95 respectively.

Note 2: The Company reserves the right to accept oversubscriptions up to 20% of the offering. (\$250,000)

7.2 Medical Cannabis History & Benefits

Cannabis, also known as marijuana, is a family of plants called Cannabaceae. There are over 700 varieties of cannabis that have been described to date. Based on characteristics such as shape, colour, height, smell, etc., usually recognised by two Main types: Cannabis Sativa, which originated in the Western hemisphere and Cannabis Indica, which originated in Central and South Asia. Cannabis as a medicine can be found in the oldest Chinese tradition few thousand years ago, indications showed different therapeutics use such as for malaria, rheumatic pain, constipation, disorders of reproductive system and many others.

Medical cannabis refers to cannabis and its component cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), to be used as medical therapy to treat diseases or alleviate symptoms of these diseases. There are more than 70 psychoactive compounds called "cannabinoids" that have been identified in cannabis, four among which Δ9- tetrahydrocannabinol (THC) accounts for the psychological and physical effects, and its content is used as a measure of strength.

From research done in the field it was concluded that the THC acts on 2 types of cannabinoid receptors: CB1 and CB2. CB1 receptors are mainly found in the brain, peripheral nerves, and nervous system, whereas CB2 are found both in the neurons and immune cells.

Evidence suggests that THC helps alleviate symptoms suffered both by AIDS patients and by cancer patients undergoing chemotherapy, by increasing appetite and decreasing nausea. The other main ingredient is CBD, a non-psychoactive component of cannabis which accounts for more than 50% of the known therapeutic applications. CBD is considered to have a wider scope of medical applications. A range of clinical studies indicated that CBD appears to relieve convulsion, inflammation, anxiety, nausea and short term memory loss.