

Dedicated to discovering new cannabis cultivars for disease-specific actions

INVESTOR PRESENTATION

March 2016



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Veritas Pharma...

- A discovery & development company dedicated to finding new cannabis cultivars for disease-specific actions
- An alliance of:
 - Academic pharmacologists, anesthetists, chemists
 - Pharmaceutical industry specialists
 - Major medicinal marijuana producer
 - Professional financiers
- Located in Vancouver, Canada on The University of British Columbia campus
- Canadian Securities Exchange (CSE) listed company; symbol 'VRT' (currently cross listing on OTC: VRTHF and Frankfurt: 2VP)



The Veritas-Cannevert Alliance



- Dec. 18, 2015, Veritas entered into a Share Purchase Agreement to acquire Cannevert Therapeutics Ltd., dedicated to cannabis cultivar research aimed at specific clinical utility
- Agreement:
 - Veritas will invest \$1.5m over 18 months (\$250K per quarter)
 - Veritas will own 80% of Cannevert when payment complete
 - Remaining 20% of Cannevert acquired with Veritas shares (after an independent valuation of Cannevert)

Cannevert Therapeutics Scientists

PROF. MICHAEL J. A. WALKER,
PhD President & Head of Biology

An Emeritus Professor at University of British Columbia (UBC) and an international expert on general pharmacology, toxins, pharmacology of excitable tissues, and drug design and development. He holds numerous patents and has founded several public and private biotechs in Canada and the UK, including Cardiome Pharma Corp. (TSX: COM), and Verona Pharma plc (AIM: VRP).

DR. BERNARD A. MACLEOD,
MD Senior Clinical Scientist

A UBC Emeritus Professor and an anesthesiologist at Vancouver Hospital. He co-founded several companies including Cardiome Pharma Corp. He brings 30 years of experience as a specialist in preclinical pharmacology and clinical research.

PROF. RICHARD A. WALL,
PhD Principal Chemist

A UBC Emeritus Professor with expertise in the chemical aspects of drug effects on the body. He presently consults on medicinal chemistry and legal aspects of drug use. He has >70 scientific papers and authorship of 20 patents.

PROF. ERNEST PUIL,
PhD Pharmacology Consultant

An active Emeritus Professor at UBC and an international expert in CNS pharmacology. He is the current CEO of Therexcell Pharma Inc. He holds patents on analgesics and EEG techniques for predicting effects of medication in anesthesia and epilepsy.

DR. THOMAS STOKES,
PhD Chemistry Consultant

An ethnopharmacologist and currently the chief medicinal chemist at Therexcell Pharma Inc. He is also a consultant for Biofine International Inc., a company which specializes in the custom synthesis of chemicals for the pharmaceutical industry.

DR. ANDREW HEGLE,
PhD Senior Scientist

A UBC Adjunct Professor with expertise in experimental physiology, pharmacology and biochemistry. His experience is in developing industrial analytical chemistry systems and he helped to establish the first cannabinoid research laboratory at UBC.

DR. RICARDO RIVERA-ACEVEDO,
PhD Senior Scientist

A UBC Adjunct Professor with expertise in experimental pharmacology and pathophysiology. His research focuses on chronic pain management, which led him to establish the first analytical laboratory for cannabinoid research at UBC.

The Veritas - Whistler Alliance

- Veritas has entered into a strategic alliance with Whistler Medical Marijuana Corp.:
 - Whistler representatives will sit on the Veritas Advisory Board
 - Whistler is licensed by Health Canada to produce dried or fresh marijuana as well as cannabis oil
 - Whistler will be the source of marijuana cultivars for Cannevert over the next 18 months
 - Veritas & Cannevert will conduct analytical, pharmacological and clinical testing of these cultivars to assess their therapeutic potential
- Jesse McConnell, Whistler co-founder & principal contact at jessemcconnell1@icloud.com;
Website: www.whistlermedicalmarijuana.com



Veritas' Research Aims

- To chemically profile different marijuana cultivars
- To pharmacologically profile those cultivars in the search for disease specific strains
- On the basis of the findings above, perform clinical trials to prove clinical utility

Veritas Research Advantages

- Research process will be streamlined through:
 - Access to matching industrial & government grant programmes (e.g., MITACS, IRAP, CIHR) and Scientific Research & Experimental Development (SR&ED) tax credit; minimum 1:1 matching expected
 - Access to UBC facilities & academic personnel
 - Access to Whistler marijuana products



Veritas' Targeted Medical Conditions

▪ Cancer Pain

- 50-90% of cancer patients experience pain, including breakthrough pain*
- Global cancer pain therapeutics market estimated to be USD\$7b by 2019, CAGR>9%**
- Global drug sales for cancer pain estimated to be USD\$2.9b in 2015*
- 43% of the opioids market (USD\$2.9b in 2015) is specifically being used to treat cancer pain

SOURCES: *Amadee + Company (2015) - "Prescription Pain Drugs Including Opioid, Anticonvulsant, Injectable/Inhaled, Topical/Transdermal, Medical Marijuana..."; **Technavio (2016) - "Global Cancer Pain Therapeutics Market 2015-2019."



Veritas' Targeted Medical Conditions

- **Chemotherapy Induced Nausea & Vomiting**

- 70-80% 'chemo' patients have nausea and vomiting as major side effects
- No current drug gives excellent control
- North America largest market (45%) followed by Europe
- Global market - USD\$1.3b (2013); estimated USD\$1.9b by 2020
- Lead drugs: Aloxi (palonosetron), Zofran (ondansetron), Kytril (granisetron) and Emend (aprepitant)
- Realistically large market for medicinal cannabis if properly proven for nausea and vomiting

SOURCE: Transparency Market Research (2015) - "CINV Existing and Pipeline Drugs Market - Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2014 - 2020"

- **Investigations with these conditions easy via Health Canada's Special Access Programme; approval times can be 1-2 months**

- Both also easier to model with pharmacological methods

- **Other diseases possibly open for marijuana are therapy will include:**

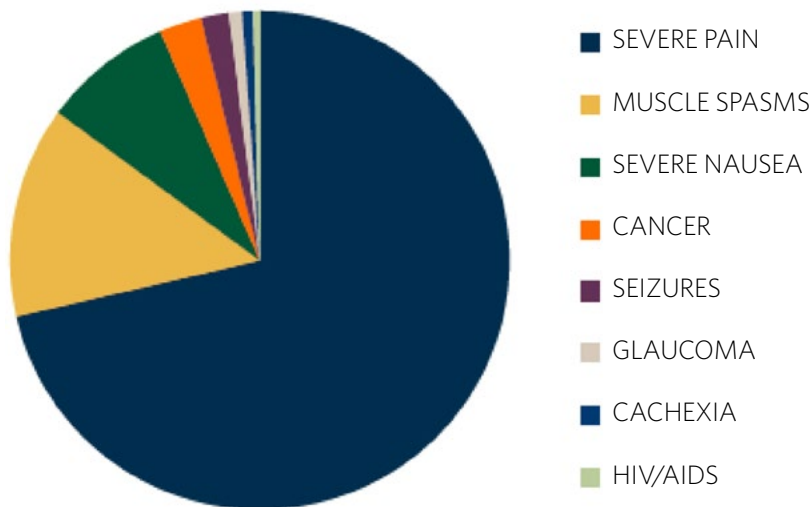
- Epilepsy
- Muscle Spasms
- COPD/Asthma
- Stress Disorders such as Post Traumatic Stress Disorder (PTSD) - Inflammatory diseases
- Glaucoma

- **Our drug discovery expertise allow us to systematically approach such diseases**



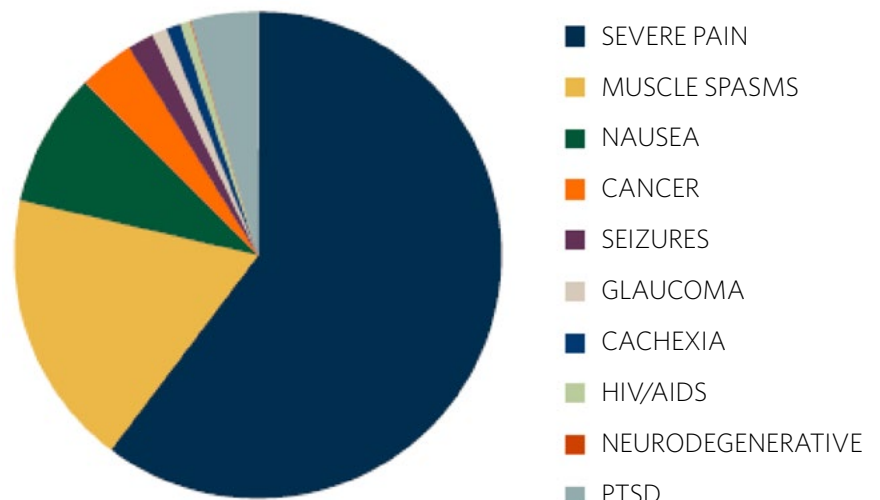
Medicinal Marijuana Market in Colorado & Oregon

COLORADO



SOURCE: Colorado Dept. of Public Health and Environment,
Oregon Health Authority, BofAML Global Research

OREGON



**Severe Pain,
Muscle Spasms
& Nausea
Predominate**

SOURCE: Bank of America Merrill Lynch - Equity (2015) - "Medical cannabis has high POTential: a joint biotech & tools primer"

The Research

Regulatory:

- UBC Animal Care – in place
- Legal access to marijuana via identified suppliers (e.g. Whistler) – in process
- Legal access to suppliers

Chemical Profiling:

- Chemical (cannabinoid) profiling procedures under development for cultivars ensuring:
 - Retention of chemical profile in all test situations
 - Stability of profile in all possible drug administration formats

Toxicological & Therapeutic Effect Profiling

- Safety and compatibility of preparations for *in vivo* & *in vitro* test requirements to ensure no toxicity going forward
- Pharmacological profiling in models of disease of interest:
 - To assess potential utility and presence, or otherwise, of unwanted effects (e.g., classic CNS effects)
 - Emphasis is on effects in whole animals with validated tests of pain, emesis and other therapeutic targets



Intellectual Property Strategy

- **Cannevert and Veritas will ensure intellectual & market protection:**

- Protect cultivar and its use as fully as possible
- Plant and other protection for cultivar and its unique cannabinoid profile
- Specific use of that cultivar for specific therapeutic indications

- **Examples of plant cultivar protection include:**

- Plant Breeders' Rights Act in Canada - protection already granted for two varieties of cannabis*
- Patent Act protection for fully described and validated new uses of specific cultivars for specific medical conditions especially for those previously been recognized as being effective, or with a new strain of cannabis obtained by genetic engineering **
- Breeding, production, processing and use of specialty cannabis (US Patent No. US9095554 B2)
 - Relates to specialty cannabis plants (BT/BD genotype), compositions and methods for making and using these plants and compositions derived thereof

- **Other fields:** Hop plant named 'Calypso' (US Patent No. USPP24299 P2)

- a new and distinct aroma variety of hop, *Humulus lupulus* L., named 'CALYPSO' is characterized by its large yield, unique aroma and resistance to hop powdery mildew; useful for the beer industry

Sources: * <http://www.inspection.gc.ca/english/plaveg/pbrpov/cropreport/gsce.shtml> ** OYEN WIGGS GREEN & MUTALA LLP, Vancouver, Canada



Veritas Research Timetable*

Q1 - 2016


- Hire personnel
- Prepare office & laboratory space
- Prepare communication, IT, reporting, & archive infrastructure
- Obtain regulatory approvals for animal testing, i.e., UBC Ethics Committee & Health Canada
- Obtain cultivars from Whistler
- Assess patent landscape

Q2 - 2016


- Continue obtaining varied marijuana cultivars from Whistler
- Conduct chemical and pharmacological profiling assessments
- Continue to assess patent landscape
- Preparation of possible patent applications based on research results
- E.g., the identification of a unique chemical profile of a defined cannabis plant as well as excellent safety & analgesic profiles in rats

Q3 - 2016
Q4 - 2016
Q1 - 2017
Q2 - 2017


- Determine potential cultivars for clinical testing
- Obtain regulatory approvals for clinical testing, i.e., UBC Ethics Committee & Health Canada
- Begin economic analysis for marketing and distribution of end products

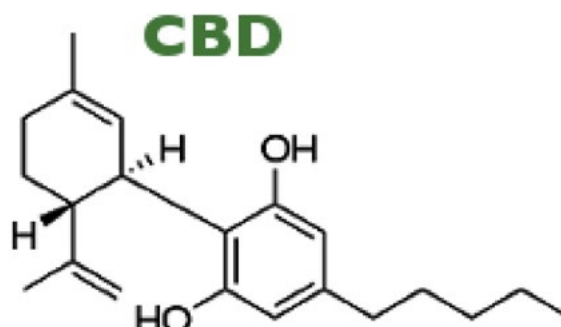
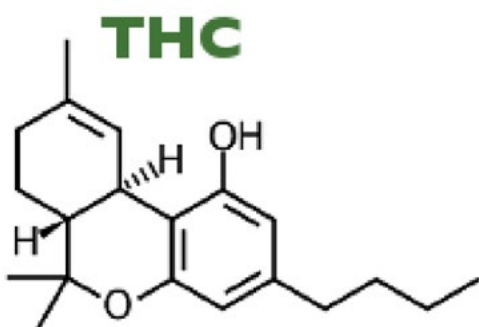
**NOTE: Cannevert Therapeutics Ltd. to provide quarterly progress reports & bi-monthly updates to the Company*

Market Strengths and Weaknesses

- There are few cannabis-based pharmaceuticals
- Current medicinal cannabis products:
 - Not approved by regulatory agencies, e.g., FDA
 - Varied often lacking pharmaceutical grade QA/QC and solid scientific proof of effectiveness
 - Marijuana products variously considered illegal by many legislations
- Most insurance companies do not reimburse for marijuana based treatments
- Limited success with existing prescribed drugs due side effect profiles

Cannabis Related Drugs

- Two approaches to unravelling the therapeutic utility of marijuana:
 - receptor targeted medicinal chemistry
 - pharmacological and clinical (disease) profiling of different cannabis species or disease specific cultivars
- More than 50 'cannabinoid molecules' to be found in marijuana
- Two receptors identified but whether they account for all the suggested therapeutic actions of marijuana remains unknown
- Chemical profile of different cannabis species can be identified and compared for their experimental pharmacological profiles so as to perform targeted clinical trials to demonstrate utility



Current Cannabinoid Drugs in Development

Company	Products	Indications	Status
GW Pharmaceuticals	Sativex	MS Spasticity	Approved in EU, not US
		Cancer Pain	Phase 3
	Epidiolex	Dravet Syndrome	Phase 3
		Lennox-Gastaut Syndrome	Phase 3
		Tuberous Sclerosis	Phase 3
	GWP42006 (CBDV)	Epilepsy	Phase 2
	GWP42003 (i,v, CBD)	NHIE	Phase 3 (expected start YE15)
	GWP42002/GWP42003	Recurrent Glioblastoma	Phase 1b/2a
	GWP42004 (THCV)	Type 2 Diabetes	Phase 2
	GWP42003	Schizophrenia	Phase 2a complete
Insys	Dronabinol Oral Solution	2nd line CINV	NDA
	CBD Oral Solution	Dravet Syndrome	Phase 1/2
		Lennox-Gastaut Syndrome	
		West syndrome (infantile spasms)	
		Glioma	
		Glioblastoma Multiforme	
Pediatric Schizophrenia			
Zynerba	ZYN001 THC Patch	Fibromyalgia	Pre-clinical
		Peripheral Neuropathic Pain	
	ZYN002 CBD Gel	Refractory Epilepsy	Phase 1
		Fragile X Syndrome	
		Osteoarthritis	

Source: BofAML Global Research

Veritas Investment & Financing

- Company has invested \$250K of the CAD\$1.5m in Cannevert Therapeutics Ltd. for the conduct of research with the potential of industrial and government grant matching
- Veritas to arrange CAD\$1m of financing at \$0.40 per share for 2.5 million units with a half warrant at \$0.75 for 18 months and a force clause if it trades over \$0.90 for 10 consecutive days



Use of Proceeds

	Funding requirements
Phase One - Research - Complete Groundwork	
1 Obtain regulatory approvals for varied marijuana cultivars	\$ 10,000
2 Conduct Chemistry and Pharmacological Profiling Assessments	700,000
3 Assess patent landscape	40,000
	\$ 750,000
Phase Two - Research - Identify Viable Commercial Opportunities	
4 Prepare possible patent applications	\$ 20,000
5 Conduct Chemistry and Pharmacological Profiling Assessments	600,000
6 Determine possible cultivars for clinical testing	70,000
Obtain regulatory approvals for testing from UBC Ethics Committee and	
7 Health Canada	60,000
	\$ 750,000
Total Research Funding Requirements	\$ 1,500,000
8 Potential SRTC and other grants available for additional research	\$ 1,500,000

Veritas Pharma Team

Team Member	Role	Experience
Dr. Lui Franciosi, PhD	CEO / President / Director	Pharmaceutical & medical device research & development; business & clinical operations; industrial & academic; public & private companies
David Alexander, CPA CA	CFO	Finance in pharmaceutical, oil & gas industries; public & private companies
Dr. Donald R. Carlow, MD	Former president and CEO of the British Columbia Cancer Agency	Principal administrator of various cancer organizations in Canada
Dr. Dom Spina, PhD	Independent Director	Pharmaceutical research & development; industrial & academic; public & private companies
Jesse McConnell, MA	Advisory Board Member	Co-founder of Whistler Medical Marijuana Corp; leading expert on organic cannabis cultivation
Matthew Hamilton	Entrepreneur	Entrepreneur with substantial experience in investment banking, investor relations, and at executive capacities.
Len Werden	Corporate Secretary / Director	Industrial agricultural-horticultural expert; high profile roles in BC industry
Peter Smith, LLB	Advisory Board Member	Lawyer; CEO and/or Director of numerous successful public companies

More on each team member at www.veritaspharmainc.com

Anticipated Milestones & Potential News Flow

Month	Milestone
Feb. 2016	<ul style="list-style-type: none"> • Laboratory & personnel setup completed • Submission & approval of UBC Animal Care application
Mar. 2016	<ul style="list-style-type: none"> • Completion of company financing • Approval from Health Canada to legally purchase cannabis for research purposes from Whistler Medical Marijuana Corp. • Formulation established to deliver cannabis to animals • Chemistry as well as pain and nausea/vomiting pharmacological assays established; profiles obtained from first cultivars
Apr. 2016	<ul style="list-style-type: none"> • Discussions with BC Cancer Agency begin • Cancer investigators identified to assist with clinical trials • Clinical trial protocols planned for trials in cancer pain as well as nausea & vomiting starting in 2017
May 2016	<ul style="list-style-type: none"> • If first cultivars shows promise in pharmacological assays, first application drafted for Plant Breeders' Rights and/or US Patent • Prominent plant patent law firm to be hired
Jun. 2016	<ul style="list-style-type: none"> • Prof. Adam Cohen of the Centre of Human Drug Research (Leiden, The Netherlands) to be invited to join as a Clinical Advisor on the Advisory Board • Preliminary candidate cultivars identified with clinical potential
Jul. 2016	<ul style="list-style-type: none"> • Preparation of first scientific publications (abstracts or papers) for peer review of animal study results of specific cultivars • Identification of major conferences to present preliminary data in Fall/Winter 2016, i.e., British Pharmacological Society

Veritas Pharma Share Structure pre- and post- financing

	Shares	Price	Share Capital
Authorized	Unlimited		
Par Value	no par		
Issued and outstanding, before financing	21,200,000		\$ 921,000
Proposed new issue	2,500,000	\$ 0.40	1,000,000
Issued and outstanding after financing	23,700,000		1,921,000
With green shoe option	375,000	\$ 0.40	150,000
Issued and outstanding if oversubscribed	24,075,000		\$ 2,071,000
Derivatives outstanding			
Stock options - current	2,100,000	\$ 0.25	\$ 525,000
Warrants - issued with financing	1,250,000	\$ 0.75	937,500
Warrants issued if green shoe option exercised	187,500	\$ 0.75	140,625
Total potential derivatives	3,537,500		1,603,125
Issued and outstanding, fully diluted	27,612,500		\$ 3,674,12



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