

NASS VALLEY GATEWAY LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
September 30, 2018 and 2017

(Expressed in Canadian Dollars)
(Unaudited)

NASS VALLEY GATEWAY LTD.

Contents

	<u>Page</u>
Condensed interim statements of financial position	1
Condensed interim statements of comprehensive loss	2
Condensed interim statements of changes in equity	3
Condensed interim statements of cash flows	4
Notes to the condensed interim financial statements	5-12

Nass Valley Gateway Ltd.
Condensed interim statements of financial position
(Expressed in Canadian Dollars)

	September 30	December 31
Note	2018 (Unaudited)	2017 (Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	5 7,094	38,368
Marketable securities	6 264	264
Amounts receivable and amounts due from related parties	7 68,179	66,481
	75,537	105,131
Non-current assets		
Reclamation bond	3,000	3,000
	78,537	108,131
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	281	614
Shareholders' equity		
Share capital	8 3,246,123	3,216,971
Share-based payments reserve	594,236	575,710
Deficit	(3,762,103)	(3,685,164)
	78,256	107,517
	78,537	108,131

Nature and Continuance of Operations (Note 1)
Subsequent events (Note 11)

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on November 28, 2018 and were signed on its behalf:

"Dieter Peter"
Dieter Peter, Director

"Andrew von Kursell"
Andrew von Kursell, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

Nass Valley Gateway Ltd.
Condensed interim statements of comprehensive loss
(unaudited)
(Expressed in Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Revenue	-	-	-	-
Expenses				
Accounting and legal	7,000	3,583	31,259	29,142
Investor relation	1,192	159	1,246	1,930
Loan interest expenses and bank charges	21	83	163	212
Marketing and promotion	-	-	-	5,380
Office expenses	441	1,665	3,290	4,966
Rent	-	900	-	2,700
Share-based payments	1,596	1,507	18,526	14,654
Transfer agent and filing fees	2,512	2,217	21,777	11,244
Wages and salaries	-	4,467	703	13,234
Loss before other item	(12,762)	(14,582)	(76,965)	(83,462)
Other item				
Interest revenue	-	-	25	25
Net loss and comprehensive loss	(12,762)	(14,582)	(76,939)	(83,437)
Net loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding	31,751,977	31,751,977	31,751,977	31,751,977

(The accompanying notes are an integral part of these condensed interim financial statements)

Nass Valley Gateway Ltd.
Condensed interim statements of changes in equity
For the nine months ended September 30, 2018 and 2017
(unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Share-based payments reserve	Deficit	Total	
	Note	Number of shares				Amount
Balance, January 1, 2017 (audited)		31,751,977	3,216,971	547,751	(3,573,560)	191,162
Share-based payments	8(c)	-	-	14,654	-	14,654
Comprehensive loss		-	-	-	(83,437)	(83,437)
Balance, September 30, 2017 (unaudited)		31,751,977	3,216,971	562,405	(3,656,997)	122,379
Balance, January 1, 2018 (audited)		31,751,977	3,216,971	575,710	(3,685,164)	107,517
Share-based payments	8(c)	-	-	18,526	-	18,526
Comprehensive loss		-	-	-	(76,939)	(76,939)
Cash received in advance for exercise of warrants		-	29,152	-	-	29,152
Balance, September 30, 2018 (unaudited)		31,751,977	3,246,123	594,236	(3,762,103)	78,256

(The accompanying notes are an integral part of these condensed interim financial statements)

Nass Valley Gateway Ltd.
Condensed interim statements of cash flows
(Unaudited)
(Expressed in Canadian Dollars)

	Nine months ended	
	September 30	
	2018	2017
Cash flows from operating activities		
Net loss for the period	(76,939)	(83,437)
<i>Item not affecting cash:</i>		
Share-based payments	18,526	14,654
	(58,413)	(68,783)
<i>Changes in non-cash working capital items:</i>		
Decrease in amounts receivable and amounts due from related parties	(1,698)	(21,796)
Increase (decrease) in accounts payable and accrued liabilities	(333)	38
	(60,444)	(90,541)
Cash flows from financing activity		
Cash advance for exercise of warrants	29,152	-
Decrease in cash and cash equivalents	(31,292)	(90,541)
Cash and cash equivalents, beginning of the period	38,386	150,973
Cash and cash equivalents, end of the period	7,094	60,432
Supplemental cash flows disclosures:		
Taxes paid	-	-
Interest paid	-	-

(The accompanying notes are an integral part of these condensed interim financial statements)

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Nass Valley Gateway Ltd. (the “Company” or “NVG”) is incorporated under the laws of British Columbia, Canada and its principal business activities include the acquisition and exploration of mineral properties in Ontario and British Columbia, Canada. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) trading under the symbol “NVG”. The principal business address of the Company is 170-422 Richards Street, Vancouver, BC, V6B 2Z4.

As at September 30, 2018, the Company had a deficit of \$3,762,103, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these interim financial statements.

On February 8, 2017, the Company entered into a binding Letter of Intent with IXI Treasury Holdings, Limited (“ITHL” or “Vendor”), a Company incorporated under the Laws of Hong Kong, and on February 15, 2017, the Company further entered into a Definitive Asset Purchase Agreement (the “DAP-Agr”) to acquire 100% of IHTL in exchange for the issuance of 80,000,000 convertible preferred shares with a deemed value \$5.00 per share (the Pref-A Shares) in two phases, subject to regulatory approval (the “Approval”). Under the DAP-Agr the vendor committed to a total financing of \$5,000,000 in two phases (the “Funding”) either through a private placement or by placing corporate bonds issued by the Company. As the audited financials of ITHL were not provided by the Vendor, the Company terminated the arrangement with ITHL.

On March 22, 2018 the Company announced that it has entered into Definitive Acquisition and Share Exchange Agreement (“DASE”) with Advanced Bioceutical Limited (“ABL”), and its wholly owned subsidiary Pro-Thotics Technologies Inc. (“PTI”).

Under the conditions of the DASE-Agr and upon Regulatory Approval, the Issuer will acquire a 100% ownership interest of ABL including its wholly owned subsidiary, PTI, and in exchange, the Company will issue an aggregate of 400,000,000 shares equal to 89.27% of its fully paid and non-assessable Shares.

ABL is engaged in the sale of Durable Medical Equipment (“DME”) and Cannabidiol (“CBD”) with zero THC content for internal use including CBD infused skin, bath and body care products.

As the former shareholders of ABL will own and control a majority of the common shares of the Company after the proposed transaction, the transaction will be considered a reverse takeover and will be accounted as a continuation of the assets and operations of ABL and its subsidiary, PTI, together with recapitalization of ABL together with a listing transaction. The proposed transaction is also subject to shareholder approvals.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and presentation

These condensed interim financial statements have been prepared under IFRS in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the Financial Reporting Interpretations Committee (“IFRIC”). These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2017.

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of compliance and presentation (continued)

The interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2017. The adoption of new accounting standards has had no material impact on the financial statements.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases – In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. Early adoption is permitted if IFRS 15 has also been adopted.

4. CHANGES IN ACCOUNTING POLICIES

In July 2014, the IASB released the final version of IFRS 9 “Financial instruments”, representing the completion of its project to replace IAS 39 “Financial Instruments: Recognition and Measurement”. The new standard introduces extensive changes to IAS 39’s guidance on the classification and measurement of financial assets and introduces a new “expected credit loss” model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The Company has adopted IFRS 9 retrospectively, effective January 1, 2018. The adoption of this standard does not have a material impact on the Company’s financial statements, as such it did not result in any adjustment in the amounts previously recognized in the financial statements.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company’s accounting policies related to financial liabilities.

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	\$	\$
Bank and petty cash	2,094	33,368
Term deposit	5,000	5,000
	7,094	38,368

6. MARKETABLE SECURITIES

	September 30, 2018 (unaudited)	December 31, 2017 (Audited)
The Elleet Network Corp.		
Number of shares	8,802	8,802
	\$	\$
Book value	264	264
Fair value	264	264
Unrealized loss on marketable securities	-	-

In a prior year, the Company received 8,802 common shares of the Elleet Network Corp. as shares for debt settlement. The fair value of the shares was \$0.35 per share for a total of \$3,081 at initial recognition.

As at September 30, 2018 the fair value of these shares was \$0.03 per share for a total of \$264 (2017 - \$264).

7. RELATED PARTY TRANSACTIONS

Key Management compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors members. Key management compensation consists of the following for the nine-months periods ended September 30, 2018 and 2017 were \$nil.

The amounts due from (to) related parties were as follows:

	September 30, 2018 (unaudited)	December 31, 2017 (audited)
	\$	\$
Due from related parties:		
The Elleet Network Corp.	23,386	22,993
Mineral Hill Industries	44,254	43,466
	67,640	66,459
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries	-	347
	-	347

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Advances from related party

The amounts due from related parties are non-interest bearing, unsecured and due on demand.

These transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

8. SHARE CAPITAL

a) Authorized share capital

At September 30, 2018, the authorized share capital of the Company comprised of an unlimited number of common shares at no par value as well as an unlimited number of classes A-1 and A-2 of convertible preference shares at no par value. All issued and outstanding shares are fully paid.

b) Issue of common shares

At September 30, 2018, the issued and outstanding common shares were 31,751,977.

During the periods ended September 30, 2018 and December 31, 2017, the Company did not issue any common shares or convertible preferred shares.

c) Stock options

The Company grants stock options to employees, directors, officers, and consultants as compensation for services pursuant to its Stock Option Plan (the "Plan"). Options issued pursuant to the Plan must have an exercise price greater than or equal to the "Market Price" of the Company's stock on the grant date less applicable discounts. Options have a maximum expiry period of up to five years from the grant date and are subject to the minimum vesting requirements, as determined by the Board of Directors.

The number of options that may be issued under the Plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Stock options granted to directors vest at a rate of 50% on the grant date and the balance on the first anniversary of the grant date. Stock options granted to employees vest at a rate of 50% on the first anniversary of the grant date and the balance on the second anniversary of the grant date. ,

On December 5, 2017 the Company granted 560,000 stock options to directors, officers and employees. Share-based compensation of \$13,029 was recorded. The weighted average fair value of the 560,000 options was \$0.06. The fair value of these options was determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free interest rate of 1.93%, the expected life of 3 years, expected volatility of 247%, forfeiture rate of 0% and expected dividends of \$Nil.

On February 6, 2017 the Company granted 85,000 stock options to a director. Share-based compensation of \$3,217 was recorded. The weighted average fair value of the 85,000 options was \$0.06. The fair value of these options was determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free interest rate of 1.43%, the expected life of 3 years, expected volatility of 268%, forfeiture rate of 0% and expected dividends of \$Nil. These options were cancelled on January 5, 2018.

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c) Stock options (continued)

The following tables summarize the continuity of the Company's stock options:

Expiry Date	Exercise Price \$	December 31, 2017 (audited)	Granted	Exercised	Expired/ Forfeited	Cancelled	September 30, 2018 (unaudited)
April 28, 2018	0.10	372,500	-	-	372,500	-	-
October 25, 2019	0.10	545,000	-	-	-	-	545,000
February 6, 2020	0.10	85,000	-	-	85,000	-	-
December 5, 2020	0.10	560,000	-	-	-	-	560,000
		1,562,500	-	-	457,500	-	1,105,000
Weighted average exercise price							\$0.10

Expiry Date	Exercise Price \$	December 31, 2016 (audited)	Granted	Exercised	Expired/ Forfeited	Cancelled	December 31, 2017 (audited)
April 28, 2018	0.10	372,500	-	-	-	-	372,500
October 25, 2019	0.10	545,000	-	-	-	-	545,000
February 6, 2020	0.10	-	85,000	-	-	-	85,000
December 5, 2020	0.10	-	560,000	-	-	-	560,000
		917,500	645,000	-	-	-	1,562,500
Weighted average exercise price							\$0.10

Details regarding the options outstanding as at September 30, 2018 are as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Grant Date Fair Value	Number of Options Exercisable
\$ 0.10	545,000	1.07	\$ 0.04	545,000
\$ 0.10	560,000	2.18	\$ 0.06	450,000
\$ 0.10	1,105,000	1.63	\$ 0.05	995,000

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options granted is recognized in income on a graded vesting basis. Option pricing models require the input of highly subjective input assumptions, which can materially affect the fair value estimate and therefore the existing models do not necessarily provide reliable a single measure of the fair value of the Company's stock options.

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

d) Share purchase warrants

On September 16, 2016 the Company amended the expiry date of 3,500,000 warrants from October 16, 2016 to October 16, 2020 and the exercise price from \$0.20 per warrant to \$0.11. Since there was no value allocated to those warrants upon issuance, no adjustment has been made on the modification.

The following tables summarize the continuity of the Company's share purchase warrants:

Expiry Date	Exercise Price	December 31, 2017	Granted	Exercised	Expired/ Cancelled	September 30, 2018
May 1, 2017 ⁽¹⁾	\$0.10	11,450,000	-	-	-	11,450,000
July 25, 2019	\$0.10	1,363,042	-	-	-	1,363,042
Oct 16, 2016	\$0.11	3,500,000	-	-	-	3,500,000
		16,313,042	-	-	-	16,313,042

Weighted average exercise price \$0.10

Weighted average contractual remaining life (years) 0.16

(1) 11,450,000 warrants due to expire May 1, 2017 were extended on April 28, 2017 for the length of time the Company's shares are halted on the Exchange.

Expiry Date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Cancelled	December 31, 2017
May 1, 2017 ⁽¹⁾	\$0.10	11,450,000	-	-	-	11,450,000
July 25, 2019	\$0.10	1,363,042	-	-	-	1,363,042
Oct 16, 2020 ⁽²⁾	\$0.11	3,500,000	-	-	-	3,500,000
		16,313,042	-	-	-	16,313,042

Weighted average exercise price \$0.10

Weighted average contractual remaining life (years) 0.55

(1) 11,450,000 warrants due to expire May 1, 2017 were extended on April 28, 2017 for the length of time the Company's shares are halted on the Exchange.

(2) On September 19, 2016 the Board of Directors approved the amendment of these warrants to \$0.11 per share with an expiry date of October 16, 2020

9. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash and equivalents, marketable securities, amounts receivable from related parties, accounts payable and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents, marketable securities, receivables and due from related parties. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash and equivalents with high-credit quality financial institutions. Amounts due to and from related parties are discussed in Note 6.

Currency risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash and equivalents as they are currently held in large financial institutions.

Fair value measurements of financial assets and liabilities

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The fair values of cash and cash equivalents are determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of due to and from related parties and accounts payable, approximate their current fair values because of their nature and relatively short maturity dates or durations.

Assets measured at fair value on a recurring basis were presented on the Company’s statements of financial position as of September 30, 2018 as follows:

	Fair Value Measurements Using			September 30, 2018 (unaudited)
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 7,094	-	-	\$ 7,094

Nass Valley Gateway Ltd.
Notes to the condensed interim financial statements
For the nine months ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian Dollars)

10. CAPITAL MANAGEMENT

Company's capital structure consists of shareholders' equity and related party loans. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2018. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its business plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placement or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

11. SUBSEQUENT EVENTS

- a) On October 3, 2018, 391,500 share purchase warrants were exercised at \$0.10 per share for a total of \$39,150.
- b) On November 20, 2018, the Company received \$12,855 as advance for exercising share purchase warrants.