NASS VALLEY GATEWAY LTD.

FORM 2A

LISTING STATEMENT

March 27, 2019

CAUTION REGARDING BUSINESS

The Issuer has executed a Definitive Acquisition and Share Exchange Agreement with Advanced Bioceutical Limited ("ABL"), a privately-owned limited liability corporation, incorporated under the laws of New Jersey which owns a subsidiary Pro-Thotics Technology Inc. incorporated in the State of New York which derives revenues from the sale of durable medical equipment while ABL will produce CBD (defined below) products derived from oil extracted from Hemp (as defined below).

The 2018 Farm Bill became law on December 20, 2018. The 2018 Farm Bill provides that any cannabinoid, a set of chemical compounds found in the cannabis plant, that is derived from hemp will be legal, if and only if that hemp is produced in a manner consistent with the 2018 Farm Bill, associated federal regulations, associated state regulations, and by a licensed grower. Amongst other requirements under the 2018 Farm Bill, hemp cannot contain more then 0.3% THC (defined below). All other cannabinoids, produced in any other setting, remain a Schedule I substance under the Controlled Substances Act and are thus illegal.

Despite the 2018 Farm Bill, several risks remain, including those arising from the complex regulatory environment in the United States and the uncertain reaction of industry stakeholders and the general public to the recent changes.

The U.S. Food and Drug Administration (the "FDA") has not approved CBD or other individual cannabinoids as drugs, nor has the FDA deemed CBD or other individual cannabinoids permissible for use in dietary supplements, as dietary ingredients or as safe for use in food. The FDA has taken the position that CBD cannot be marketed in a dietary supplement because it has been the subject of investigation as a new drug pursuant to the IND Preclusion (as defined in section 3.3.2). The Issuer believes there are significant arguments against this position in that all conditions of the applicable statute must be met before the IND Preclusion applies. In addition, the FDA is currently challenging whether similar products of other companies can be sold in the U.S. without FDA approvals which have not yet been obtained. The FDA does not recognize CBD as safe for use in food products. See section 17 "Risk Factors" and section 3.3.2 "Trends Related to the Business of ABL".

Prior to the 2018 Farm Bill becoming law, the DEA has made public statements suggesting that CBD remains a controlled substance, and that the retail sale as such would be prohibited. To the knowledge of the Issuer, the DEA has not expressed its position with respect to the 2018 Farm Bill. However, the DEA may continue to assert authority over Hemp and Hemp products until the 2014 Farm Bill is repealed, notwithstanding the passage of the 2018 Farm Bill.

Even after the passing of the 2018 Farm Bill, there is risk that either or both of these agencies could take law enforcement actions against the Issuer and/or ABL. There is also a risk that state or local authorities could take enforcement actions against the Issuer and/or ABL.

Any investment in the Issuer Shares is speculative due to a variety of factors, including the nature of the Issuer's business subsequent to the completion of the Transaction. An investment in these securities should only be made by persons who can afford a total loss of their investment. Legislative and regulatory uncertainties, along with difficulties concerning potential enforcement activities by U.S. federal, state and local governments (or discretion exercised thereby), represent significant risks concerning the Issuer's business activities.

If the Issuer's operations are found to be in violation of any of such laws or any other governmental regulations, the Issuer and/or ABL may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Issuer's operations or asset seizures, any of which could adversely affect the Issuer's business and financial results. See Section 17 "*Risk Factors - Risks Related to the Regulatory Environment in Relation to the Business of ABL" and Section 3.3.2 "Trends Related to the Business of ABL - United States Regulatory Matters"*. Materially all of the Issuer's assets, liabilities related to ABL are U.S. Cannabis-related activities.

FORM 2A

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This listing statement contains "forward-looking information" within the meaning of applicable Canadian securities legislation, which is based upon the Issuer's current internal expectations, estimates, projections, assumptions and beliefs. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or similar expressions or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

The forward-looking information included in this Listing statement is made only as of the date of this Listing statement. Such forward-looking information may include, but is not limited to, statements with respect to the future financial or operating performance of the Issuer and its subsidiaries, the Issuer's expectations with respect to future growth, the Issuer's expectations with respect to contributing its position in Advanced Bioceutical Limited including Pro-Thotics Inc., the Target for its Acquisition and to the Issuer's expectations with respect to its completion of an acquisition of the Target (as defined herein) and, the Issuer's expectations with respect to the further development and commercialization of the Target's CBD and DME products (as defined herein) in the USA as well as Canadian marketplace, the Issuer's expectations with respect to negotiating future acquisitions and possible installation of production facilities, the dependence of the Resulting Issuer's cash flow and financial performance on third parties, the future delivery and cultivation costs of CBD products and applicable government taxes thereto, the Issuer's lack of control over its Target's operations, the Resulting Issuer's ongoing investment strategy for expansion, the accuracy of the information and projects provided by entities in the Resulting Issuer's investments, changes in laws, regulations and guidelines, regulatory risks associated with the operations of the Resulting Issuer's subsidiaries, timing and development of current and future projects, requirements for additional capital, limitations of insurance coverage, limitations from institutional financing, timing and possible outcome of pending regulatory matters in the United States and Canada, the Resulting Issuer's competitive position, completion of future financings and the date of such completion and the proposed use of proceeds.

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The forward-looking information contained herein is based on certain assumptions, including without limitation: (i) the Resulting Issuer will be able to generate cash flow from operations and obtain additional financings on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Resulting Issuer operates will remain the same; (iii) the Resulting Issuer will be able to compete within the two proposed industry sectors; (iv) the Resulting Issuer will be able to manage anticipated and unanticipated costs; (iv) the Resulting Issuer will be able to maintain internal controls over financial reporting, disclosure, and procedures; consumer interest in Issuer products; (v) the timely receipt of any required Regulatory Approvals; (vi) the Resulting Issuer's ability to obtain additional qualified staff, equipment and services if necessary in a timely and cost efficient manner; (vii) the Resulting Issuer's ability to conduct operations in a safe, efficient and effective manner; (viii) government regulation of the Issuer's activities will remain the same; and (ix) the Issuer using the proceeds from its generated cash flow as set-out herein.

Although the Issuer believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. The Issuer's forward-looking information is expressly qualified in its entirety by this cautionary statement. In particular, but without limiting the foregoing, statements regarding the Issuer's objectives, plans and goals, including future operating results, economic performance may make reference to or involve forward-looking information.

The purpose of forward looking information is to provide the reader with a description of management's expectations, and such forward looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this listing statement. The Issuer undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking information. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this listing statement include, but are not limited to, the factors included in Section 17 "Risk Factors" herein and elsewhere in the documents incorporated by reference in this listing statement.

1. GLOSSARY OF TERMS

The following terms, as used herein, have the following meanings:

"2014 Farm Bill" means section 7606 of the *Agricultural Act of 2014*

"2018 Farm Bill" means the *Agriculture Improvement Act of 2018*

"ABC" .means American Board for Certification in Orthotics.

"ABL" or "Target" means Advanced Bioceuticals Limited, a New Jersey Limited Liability company, with company registration number 0450237249 including its subsidiary PTI which will become subsequent to the Acquisition a separate wholly owned subsidiaries of the Resulting Issuer,

"ABL-Business" ABL's well established present business of being engaged in the sale of Durable Medical Equipment (DME) through its subsidiary (the "Business-PTI") as well as its direct marketing and sales of Cannabidiol (CBD) with zero "THC" content.

"Acquisition" means the purchase of all issued and outstanding securities of the Target (ABL including PTI), paid by the Issuer with the Issuer Shares.

"Acquisition-Consideration" means the total consideration for the acquisition of all issued and outstanding shares of Target (ABL including PTI), paid by the Issuer with Issuer Shares to be issued to the Selling-Shareholders proportional to their respective shareholdings in the Target.

"Action" means any legal action, suit, claim, investigation, hearing or proceeding, including any audit, claim or assessment for taxes or otherwise.

"Banking-Day" means any day other than a Saturday, Sunday, or a legal holiday on which commercial banking institutions in New York are authorized to close for business.

"Cannabis" means *Cannabis sativa L.*

"CBD" means Cannabidiol and is one of more than 60 compounds identified in cannabis or hemp. CBD does not have intoxicating effects like those caused by tetrahydrocannabinol (THC). and may have any psychoactive effects on disordered thinking and anxiety. CBD has been linked with the ability to reduce nausea and anxiety, anti-inflammatory and anti-psychotic properties,

"C-Corporation" refers to any corporation that is taxed separately from its owners under United States federal income tax law. A "C corporation" is distinguished from an "S- Corporation", which generally is not taxed separately. Most major companies in the USA are treated as C-corporations for U.S. federal income tax purposes.

"Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise." Controlled", "Controlling" and "under common Control with" have correlative meanings.

"CSA" means the United States Controlled Substances Act.

"CSE" means the Canadian Securities Exchange located in Toronto, Ontario, as the primary, fully regulated Stock Exchange where the Shares-NVG are listed for trading.

"DASE-Agr" or "Agreement" means the Definitive Acquisition and Share Exchange Agreement between NVG and ABL.

"DEA" means the United States Drug Enforcement Agency.

"DME" stands for Durable Medical Equipment representing the business of PTI and includes products like orthotic, prosthetic and wound-care devices, treatment of neuro-muscular disorders, sports rehabilitation bracing, spinal orthotics and custom-made footwear.

"Effective-Date" means that the Transaction becomes effective on the fifth (5^{th}) Banking-Day after the Issuer has received Regulatory Approval.

"GAAP" means Generally Accepted Accounting Principles, which is the accounting system established by the U.S. Securities and Exchange Commission (SEC) as reporting requirement for public companies having their securities listed for trading within the USA.

"IFRS" means International Financial Reporting Standards, the financial reporting language of the global capital markets and now required or permitted in 147 countries around the world including Canada and Europe.

"Hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis, lawfully cultivated in the United States pursuant to the 2018 Farm Bill and applicable state legislation and includes Industrial Hemp.

"Industrial Hemp" means as any part of the Cannabis sativa L. plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis, lawfully cultivated in the United States pursuant to, and in compliance with the 2014 Farm Bill and a state agricultural pilot program which sanctions such activity and includes Industrial Hemp as that term is defined in application state legislation.

.**"Issuer"** means Nass Valley Gateway Ltd., a British Columbia public company with its common shares trading on the CSE as referred to more detail under Section 2.2 of this Listing Statement and includes the Resulting Issuer (defined below).

"Issuer-Shares" means the issued common shares of the Issuer which are listed for trading on the CSE under the present symbol (NVG) and co-listed on the Frankfurt Stock Exchange under the trading symbol (3NVN).

"Law" means any domestic or foreign, federal, state, provincial, municipality or local law, statute, ordinance, code, rule, or regulation.

"Material Effect" or "Material Change" means for this purpose a contract that can reasonably be regarded as material to a proposed investor in any securities being listed and may in some circumstances include contracts with a person or company providing the Issuer with promotional or investor relations services.

"NVG" or "Issuer" means Nass Valley Gateway Ltd, Canadian public company with its common shares trading on the CSE as referred to more detail in the Preamble of the DASE-Agr.

"Person" means an individual, corporation, partnership (including a general partnership, limited partnership, or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

"Portfolio Companies" means collectively ABL and PTI.

"PTI" means Pro-Thotics Technology, Inc., the presently wholly owned subsidiary of ABL and as such part of the Target. PTI was created through the acquisition of American Compression and Wound Care, LLC pursuant under the Business Corporation Law of the State of New York, USA. PTI's certificate of incorporation is dated November 8^{th}, 1988, PTI is a C-Corporation organized under the laws of New York and presently headquartered in East Patchogue, NY, USA.

"PTI Business" means the over 25 years well established business of developing the sales and marketing of Durable Medical Equipment (DME) through ABL's wholly owned subsidiary PTI.

"Regulatory Approval" means the final approval of the Transaction by the CSE.

"Resulting Issuer" means the Issuer after the completion of the Acquisition.

"Statement of Principles" means the statement of principles concerning provisions of the 2014 Farm Bill relating to the cultivation of Industrial Hemp issued in 2016 by the U.S. Department of Agriculture in consultation with FDA and DEA.

"Target" or "ABL" means Advanced Bioceuticals Limited, a New Jersey Limited Liability company, with company registration number 0450237249 including its Subsidiary PTI, both of which will become wholly owned subsidiaries of the Resulting Issuer,

"THC" means Tetrahydrocannabinol, which is the principal psychoactive constituent of cannabis and is the main mind-altering ingredient found in the Cannabis plant. THC works on the physiological and cognitive processes and system in a different way from CBD, so although it is a similar compound, it does not have the same benefits.

"Transaction" means the execution of this DASE-Agr including the approval of the CSE and fulfillment of the terms and conditions under the DASE-Agr.

"Warrants" means transferable share purchase warrants issued by the Issuer which give its holder the right to acquire Issuer-Shares at the predetermined number and exercise price during an assigned exercise period.

2. CORPORATE STRUCTURE

Note: In this listing statement all figures pertaining to the Target, Advanced Bioceuticals Limited, are denoted in US$.

2.1 and 2.2 Corporate Name and Statutes of Incorporation

The Issuer was incorporated pursuant to the Business Corporations Act (British Columbia) on October 25, 2005 under the name Nass Valley Gateway Ltd. and its principle business office is located at Suite 170 – 422 Richards Street, Vancouver, British Columbia V6B 2Z4. The registered office is located at DuMoulin Black LLP, Barristers and Solicitors, 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

ABL was incorporated on January 31,2018 pursuant to The New Jersey Business Corporation Act under the name Advanced Bioceuticals Limited as a New Jersey Limited Liability company with registration number 0450237249. Its head office is located at 525 Boulevard, Kenilworth, New Jersey 07033 and its registered and records office is located at 525 Boulevard, Kenilworth, New Jersey 07033.

PTI is a wholly owned subsidiary of ABL. PTI was incorporated on November 8, 1988 under the name Pro-Thotics Technology, Inc. under the New York Business Corporation Law . Its head office is located at 285 Sills Rd., 3D, East Patchogue, New York, USA 11772, and its registered and records office is located at 285 Sills Rd., 3D, East Patchogue, New York, USA 11772

Following the completion of the Acquisition, there will be no change of name or address of the Resulting Issuer.

2.3 Intercorporate Relationships before the Acquisition

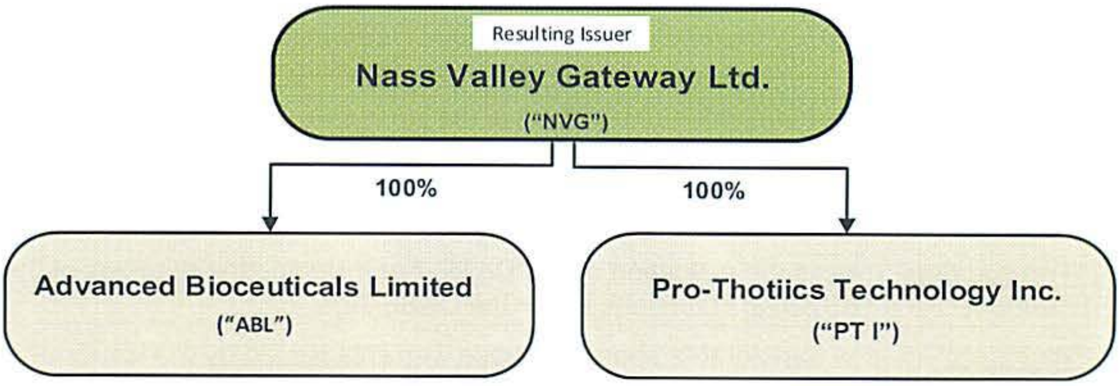
Before the Acquisition, the Issuer had no subsidiaries.

2.4 Intercorporate Relations after the Acquisition

Currently, ABL is the wholly owned subsidiary of the Issuer, and PTI is the wholly owned subsidiary of ABL.

After the Acquisition, ABL and PTI will become two wholly owned subsidiaries of the Issuer. ABL will be engaged in the productions and sales of THC free CBD based products. PTI will continue its current DME business.

The following organizational chart indicates the Issuer's proposed organizational structure *following* the Acquisition.



The Issuer is incorporated in British Columbia, ABL in New Jersey and PTI in the State of New York.

2.5 Issuers Incorporated Outside Canada

The Issuer is not incorporated outside of Canada. The Target is incorporated in New Jersey, USA, and its wholly owned subsidiary PTI is incorporated in the state of New York, USA. The Target and PTI presently report under the USA's General Accepted Accounting Principles ("GAAP").

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 The Issuer (Nass Valley Gateway Ltd.)

The Issuer was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Issuer became a reporting issuer on February 26, 2007, and the common shares of the Issuer were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol "NVGL", which was changed in September 2008 to "NVG". Since October 5, 2007, the Issuer's common shares have been co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are listed under the symbol "3NVN". The Issuer's common shares are also listed on the Third Market Segment called "Freiverkehr" on the Berlin and Bremen Stock Exchange.

Between 2010 and 2012 the Issuer acquired the rights to two green-technology systems, an emission- free energy-converting and waste disposal system and a wood drying technology for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively, and spun off its mining exploration subsidiary, Kirkland Precious Metals Corp., into a separate reporting exploration company via a Plan of Arrangement.

As the Issuer's pilot plant based on the MWE technology was completely destroyed by a disastrous fire in 2013, as reported in the Issuer's monthly report dated Oct. 4, 2013, MWE became inactive and the Issuer investigated alternative target projects.

On July 07, 2015 the Issuer announced that it had executed the Definitive Agreement granting the Issuer the exclusive right to acquire a private corporation ("Target-A"), to develop transdermal delivery systems through a contracted third party to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD").

In June 2016, Target-A requested to renegotiate the executed agreement which would have drastically changed the condition of the transaction and the Issuer had to decline the suggested changes and terminate the transaction.

Subsequently the Issuer completed its due diligence on several other target projects but the board of directors of the Issuer determined that an integration of those targets would also not have been in the best interest of its shareholders.

During 2017, the Issuer was offered to acquire the assets in one of two companies controlled by a Danish entrepreneur (the "Vendor"). Under the terms of the executed definitive agreement and its subsequent addenda the Vendor had to provide a validation of the companies' substantial assets via financial statements, audited by an audit firm acceptable to the CSE.

In relation to the proposed transaction described in the preceding paragraph, at the request of the Issuer, in line with the rules of the CSE, the trading of its stock was halted on February 8, 2017 pending on the Issuer's requested validation and the acceptance of the proposed transaction by the CSE.

As management did not receive the requested audited financial statements and verification of the asset value at the agreed upon deadline of December 15, 2017, the Issuer notified the Vendor that it will pursue other viable projects and announced on March 13, 2018, the termination of the proposed acquisition.

3.2 Significant Acquisitions and Dispositions

Advanced Bioceuticals Limited and its wholly owned subsidiary

On March 22, 2018 the Issuer entered into the DASE-Agr. with ABL and its wholly owned subsidiary PTI, whereby the Issuer would acquire a 100% interest of both companies in exchange for 89.7% of the Issuer's issued common shares following the Acquisition (85.06% on a fully diluted basis). As the shareholders of ABL will own a majority of the common shares of the Resulting Issuer after the Acquisition, the Acquisition will be considered a reverse takeover and will be accounted as a continuation of the assets and operations of ABL subject to the Regulatory Approval.

Under the terms of the DASE-Agr., the Issuer acquired 100 % of the outstanding shares of the ABL in exchange for the issuance of newly issued common shares issued at fourteen point twenty-nine cents Canadian dollars ($0.1429) per share and equal to 89.7% of the Issuer's issued common shares following the Acquisition (85.06% on a fully diluted basis). The DASE-Agr is an arms-length agreement and no independent valuation was obtained.

The Acquisition was completed on March 19, 2019.

Subsequent to the completion of the Acquisition, ABL and its subsidiary are wholly owned by the Resulting Issuer which has an existing, experienced and knowledgeable management team. The Transaction was a reverse takeover ("RTO") and under the rules of the CSE required shareholder approval or the written consent of shareholders holding more than 50% of the shares of the Issuer.

3.2.1 The Acquisition and Share Exchange

Under the conditions of the DASE-Agr and upon Regulatory Approval of the Acquisition, the Issuer acquired 100% of ownership interest of the Target including its wholly owned subsidiary, and the Issuer issued an aggregate of 280,000,000 shares of the Issuer at a price of $0.1429 per share which amounts to 89.7% of the Issuer's issued common shares following the Acquisition (85.06% on a fully diluted basis) in exchange for 100% of the ownership interest in the Target.

The Issuer has received conditional written approval for the proposed Acquisition from five shareholders controlling in excess of 54% of the Issuer's (Pre-Acquisition) outstanding shares, conditional upon receiving the Regulatory Approval.

3.2.2 The proposed Acquisition includes the following particulars:

(a) Nature of Assets Acquired. The Issuer acquires the 100% of outstanding securities of the Target.

(b) Effective Date. The Effective-Date for the Transaction is the fifth (5^{th}) Banking-Day subsequent to the date the Issuer has received the Regulatory Approval.

(c) Acquisition Consideration. The common shares of the Issuer to be issued to the Target are the sole consideration for the Acquisition, and there are no additional monetary or non-monetary payments agreed upon.

(d) Material Obligations. There are no material obligations that must be complied with to keep the proposed Acquisition agreement in good standing.

(e) Valuation Opinion. No valuation opinion has been obtained nor was required to be obtained by the Issuer in the past 12 months to support any value received or paid by the Issuer.

(f) Related Party. Neither the Target nor its shareholders are related Parties of the Issuer.

3.3.1 Trends related to the Business of PTI

PTI will expand on its objectives through the efficient use of their physical manpower resources to provide for state-of-the-art orthopedic products utilizing science and technology and to expand aggressively PTI's established national marketing campaign to encompass all states of the US and other areas of North America. PTI will continue reviewing their business model in regards to methods of sales and shipping to ensure it is the most efficient and cost effect methods available to PTI.

3.3.2 Trends Related to the Business of ABL

United States Regulatory Matters

United States Federal Regulation of Hemp under the 2018 Farm Bill

The Issuer does not produce or sell medicinal or recreational marijuana or products derived therefrom. It plans to produce and sell Hemp-based CBD products. While such products come from the same plant genus and species, Hemp and marijuana are legally distinct and are generally regulated, respectively, by two separate overarching bodies of law: the 2018 Farm Bill and the CSA.

Hemp, by legal definition, contains less than 0.3% THC on a dry weight basis, which is not a sufficient level to create a psychoactive effect like marijuana.

Consequently, the Issuer's products will not be sold pursuant to the rules and regulations governing the cultivation, transportation and sale of medicinal or recreational marijuana. The Issuer plans to produce, transport and sell its products derived from Hemp in compliance with the 2018 Farm Bill and in accordance with the applicable state and local laws.

The 2018 Farm Bill removed Hemp from Schedule I controlled substances, making it an ordinary agricultural commodity. Despite continued regulation of the hemp industry, this newly enacted legislation eliminates much legal ambiguity concerning the interplay of Federal and State law.

Federal law now provides that any CBD derived from Hemp will be legal, if the Hemp is produced in a manner consistent with Federal law, associated federal regulations, associated state regulations, and by a licensed grower. This essentially defers to current State practices. If Hemp production is legal under State law, the Federal government will not interfere.

Regulation concerning production of hemp requires a State or Indian tribe desiring primary regulatory authority to submit a plan under which the State or Indian tribe monitors and regulates production. A producer's failure to adhere to the State's plan could result in Federal prosecution, although this has always been the case under State law. Additionally, individuals convicted of felony narcotic related offenses, within the past ten years, are barred from participating in hemp production.

The Secretary of Agriculture has been mandated with creating a Federal licensing scheme. Currently, there is no Federal licensing scheme in place.

Hemp and related products can be moved in interstate commerce. Specifically, no State can prohibit the transportation of hemp or hemp produced products within and between the States.

Hemp is no longer excluded from Federal Crop Insurance coverage. In this respect the law treats hemp like any other agricultural commodity. Further, hemp research has received additional eligibility for Federal funding. Federally insured banks can now serve Hemp producers.

As to Federal intellectual property, the United States Patent and Trademark Office (USPTO) must again revise its stance on certain cannabis brand trademark applications. Specifically, trademark applications that cover CBD products derived from Hemp are expected to be no longer be rejected under the Office's Lawful Use Rule, and thus eligible for examination and allowance.

In sum, the legality of CBD products derived from Hemp has been greatly expanded and clarified by the 2018 Farm Bill.

However, it should be noted that a common misunderstanding surrounding the passage of the 2018 Farm Bill is that the legislation has also legalized CBD and various CBD products. This stems from a clause in Section 12619 of the 2018 Farm Bill which removes hemp-derived products from Schedule 1 of the Controlled Substances Act, and the observation that CBD can be derived from hemp plants.

Federally, CBD will remain illegal, but the 2018 Farm Bill does create certain exceptions to this rule. Under Section 12619, any cannabinoid that is derived from hemp would be considered legal, provided that the production meets all of the federal regulations, state level regulations, and other guidelines in a manner that is consistent with the 2018 Farm Bill (such as the production being carried out by a licensed cultivator in an appropriate setting). If any of these conditions aren't met, then the cannabinoid produced would be considered illegal under the CSA.

An exception to this is the commercial CBD products that are specially approved by the FDA, such as the CBD-based anti-convulsant medication Epidiolex.

It should also be noted that the 2018 Farm Bill does not change anything affecting state-level medicinal cannabis programs. CBD products produced by or produced for state-level medicinal cannabis programs are not legalized under the 2018 Farm Bill even if its production is consistent with the rest of the 2018 Farm Bill, as medicinal cannabis remains illegal at the federal level.

Development of Current Regulatory Framework

In addition to customary regulations applicable to any commercial business, the Issuer's operations related to Hemp are subject to state and federal regulation in respect of the production, distribution and sale of products intended for human ingestion or topical application.

Hemp is an agricultural commodity cultivated for use in the production of a wide range of products globally. Among others, hemp is used in the agriculture, textile, recycling, automotive, furniture, food and beverage, paper, construction materials and personal care industries.

Botanically, Hemp is categorized as Cannabis sativa L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from hemp, including THC and CBD.

These cannabinoids are responsible for a range of potential psychological and physiological effects. Hemp is distinguishable from its cousin marijuana, which also comes from the Cannabis sativa L. subspecies, by its absence of more than trace amounts (less than 0.3%) of the psychoactive compound THC. Although international standards vary, other countries, such as Canada, have used the same THC potency standards to define Hemp.

Historically, the effects of federal tax rendered the domestic farming of hemp impractical. In addition, with the science of distinguishing hemp from marijuana undeveloped, and fearful of hemp as a psychoactive substance, states legally restricted growth and cultivation of the hemp plant. Subsequently, federal legislation scheduled all cannabis grown in the United States as a controlled substance, and as a result, until the passage of the 2014 Farm Bill, cultivating hemp for any purpose in the United States without a Schedule I registration with the DEA was illegal. The 2014 Farm Bill opened an approximately four-year window to allow Industrial Hemp to be cultivated within the context of an agricultural pilot program and where permitted by state law.

The 2014 Farm Bill

In 2014, Congress enacted the 2014 Farm Bill which provided for the domestic cultivation of Industrial Hemp as part of agricultural pilot programs adopted by individual states and research by institutions of higher education. The 2014 Farm Bill provided, notwithstanding other federal laws such as the CSA, for the domestic cultivation of Industrial Hemp. Forty U.S. states had implemented legislation pursuant to the 2014 Farm Bill. The various state Industrial Hemp programs have different requirements regarding the registration of cultivators and processors, the involvement of institutions of higher education and permissible commercialization. The 2014 Farm Bill gave significant discretion to states to adopt regulations governing hemp activity, but strictly defined hemp to include any part of the Cannabis plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis (i.e. Industrial Hemp). Any plant found to contain a higher concentration of THC than permitted by the 2014 Farm Bill was considered a Schedule I substance under the CSA (i.e. marijuana) and was not protected by the 2014 Farm Bill.

The 2014 Farm Bill's provisions only permitted the cultivation of Industrial Hemp by institutions of higher education or state departments of agriculture (i) for research purposes (which included market research); (ii) as part of an "agricultural pilot program" or other agricultural or academic research; and (iii) where permitted by state law.

Because hemp was criminalized for nearly a century, a critical element of state pilot programs was studying markets in which American farmers could profitably sell Industrial Hemp products.

DEA Position

The following discussion pertains to the DEA position prior to the date when the 2018 Farm Bill came into force. To the knowledge of the Issuer, the DEA has not expressed its position with respect to the 2018 Farm Bill.

Notwithstanding the Ninth Circuit's holding in HIA v DEA II, which invalidated previous final rules promulgated by the DEA in the early 2000s, the DEA subsequently published a regulation in 2016 (the "2016 Final Rule") also referred to as the "Marihuana Extract Rule," which states that all extracts from the cannabis plant are Schedule I controlled substances, regardless of which part of the cannabis plant the extracts are derived from. Although the DEA subsequently issued a clarification to the 2016 Final Rule, explaining that the 2016 Final Rule includes only extracts that fall within the CSA definition of marijuana, and does not include materials excluded from the CSA definition of marijuana, it makes clear that the DEA does not believe CBD can be derived in commercially viable amounts from the parts of the plant exempted from CSA control, noting that the cannabinoids are concentrated in the flower and that CBD present in stalk is generally due to the presence of resin. According to the DEA, resin from any part of the plant is clearly included in the CSA definition of "marijuana."

This position is again emphasized in a 2018 Ninth Circuit Court of Appeals case of Hemp Industries Association, et al., Petitioners, v. Drug Enforcement Administration, et al., Respondents, Nos. 03-71336; 03-71603, 2017 WL 10721879 (C.A.9) ("HIA v. DEA III"). In this case, HIA and other industry petitioners filed a Petition for Review seeking to block the implementation of the DEA's 2016 Final Rule on marihuana extracts, in part, claiming that the 2016 Final Rule conflicted with the 2014 Farm Bill. In response to the case, a bipartisan group of 29 congressional members submitted an amicus brief (the "Amicus Brief") arguing the DEA's stance is in contravention of the 2014 Farm Bill and other laws, and that the intent and plain meaning of the 2014 Farm Bill was to open Industrial Hemp to national commercial activity. On April 30, 2018, the Ninth Circuit Court of Appeals denied the HIA's appeal of the 2016 Final Rule based on procedural grounds, but importantly confirmed that the 2014 Farm Bill adequately acknowledges the conflict and preempts the CSA, confirming that the 2016 Final Rule does not apply to Industrial Hemp grown lawfully under the 2014 Farm Bill. To the extent products are derived lawfully pursuant to the 2018 Farm Bill, the Issuer believes they are pre-empted from CSA control.

On May 22, 2018, the DEA issued an internal directive to its agents concerning the legality of hemp and hemp-derived products. The key language states:

"Products and materials that are made from the cannabis plant and which fall outside the CSA definition of marijuana (such as sterilized seeds, oil or cake made from the seeds, and mature stalks) are not controlled under the CSA. Such products may accordingly be sold and otherwise distributed throughout the United States without restriction under the CSA or its implementing regulations. The mere presence of cannabinoids is not itself dispositive as to whether a substance is within the scope of the CSA; the dispositive question is whether the substance falls within the CSA definition of marijuana."

Further, they clarified the controversial "marijuana extract" rule:

"This directive does not address or alter DEA's previous statements regarding the drug code for marijuana extract and regarding resin. See Establishment of a New Drug Code for Marihuana Extract, 81 Fed. Reg. 90194 (Dec. 14, 2016); Clarification of the New Drug Code (7350) for Marijuana Extract. As DEA has previously explained, the drug code for marijuana extract extends no further than the CSA does, and it thus does not apply to materials outside the CSA definition of marijuana."

To be clear, the DEA believes that it has no enforcement authority over hemp or hemp products that are excluded from the CSA. This may include any product derived from hemp grown as part of a 2014 Farm Bill-authorized pilot program, which the 2014 Farm Bill explicitly includes "notwithstanding" the CSA. (The Ninth Circuit Court of Appeals stated the 2014 Farm Bill "contemplates potential conflict between the Controlled Substances Act and preempts it".)

Despite the DEA's concession that it maintains no jurisdiction with regard to 2014 Farm Bill activities, there remains concern over the extent to which other federal, state and local agencies defer to the DEA's earlier, negative rhetoric towards the 2014 Farm Bill in the Statement of Principles and a possible reaction to the new 2018 Farm Bill.

Since, the 2018 Farm Bill liberalized the cultivation and sale of Hemp, the issuer believes that the position of the DEA should change and that no action against ABL or the Issuer will be taken by the DEA as long as ABL and the Issuer strictly comply with the requirements of the 2018 Farm Bill.

FDA Approval of Epidiolex

On June 25, 2018, the FDA issued to GW Pharmaceuticals plc its approval for Epidiolex, the first Cannabis-derived prescription medicine to be available in the U.S. The active ingredient in Epidiolex is CBD.

State Regulation of Hemp

Under the 2018 Farm Bill there will be significant, shared state-federal regulatory power over hemp cultivation and production of hemp. Under section 10113 of the 2018 Farm Bill, state departments of agriculture must consult with the state's governor and chief law enforcement officer to devise a plan that must be submitted to the Secretary of the USDA. A state's plan to license and regulate hemp can only commence once the Secretary of the USDA approves that state's plan. In states opting not to devise a hemp regulatory program, the USDA will construct a regulatory program under which hemp cultivators in those states must apply for licenses and comply with a federally-run program.

Prior to the 2018 Farm Bill becoming law, the DEA has made public statements suggesting that CBD remains a controlled substance, and that the retail sale as such would be prohibited. Even after the passage of the 2018 Farm Bill, there remains the risk of federal law enforcement action against the Issuer. There is also a risk that state law enforcement officials may read the statutes as a whole differently and that such interpretations may change (both favorably and unfavorably) over time.

ABL plans to source only Hemp based CBD oils from contract suppliers located in Colorado, that are in strict compliance with state and federal regulations. It will produce its products in Michigan, and, initially, plans to sell its products in Michigan. The regulatory overview of Hemp in Colorado and Michigan is described in the following sections.

Colorado

The Issuer plans to purchase Hemp oils containing CBD from licensed hemp producers in Colorado as a result of the state's legalization of Hemp and mature regulatory program.

ABL does not have a licence to purchase Hemp oils containing CBD in Colorado. ABL will have to obtain a procurement license. Prior to commencing operations, ABL will apply for the necessary procurement license. Should ABL not get the required license, ABL will use a procuring contractor which has the required licenses and registration. The contract processor that ABL intends using has the required license.

The Colorado Department of Agriculture's Program regulates the cultivation (growing) of Hemp and is administered by the Colorado Department of Agriculture (the "CDA") does not regulate processing and/or extraction.

The Colorado Department of Public Health & Environment ("CDPHE") permits registered persons in the State of Colorado to carry out the processing, sale, and distribution of Hemp-based products.

Passed in 2012, Amendment 64 to the Colorado Constitution directed the General Assembly to enact legislation governing the cultivation, processing and sale of Industrial Hemp by July 1, 2014[1]. In 2013, responsibility for establishing regulations pertaining to the cultivation of Industrial Hemp, including registration and inspection, was delegated to the Colorado Department of Agriculture ("CDA")[2]. The CDA adopted rules and regulations that set forth requirements for registration, inspection, and testing[3]. Registration requirements include but are not limited to: disclosing the name and address of the entity that will hold the registration, and the name of each officer, director, member, partner or owner of at least 10% of the entity and any other person who has managing or controlling authority over the entity; providing the CDA with GPS

[1] Colo. Const. art. XVIII, § 16.
[2] Colorado Senate Bill 13-241.
[3] 8 CCR 1203-23.

coordinates and a map of the land area where the Hemp will be cultivated; listing the intended use of harvested Hemp materials; and payment of a non-refundable fee[4]. All registrants are subject to routine inspection and sampling by the CDA to verify that the THC concentration of the plants being cultivated does not exceed 0.3% on a dry weight basis, and to ensure registrants are complying with applicable reporting requirements.[5] Reporting requirements include a pre-planting report detailing the varieties to be planted, a planting report specifying the exact land areas where planning occurred, and a harvest report documenting the size of the harvest and the anticipated harvest date.[6]

After the passage of the 2014 Farm Bill, the Colorado legislature passed the Colorado Industrial Hemp Regulatory Program Act establishing the Colorado Industrial Hemp Regulatory Program.[7] The Colorado Industrial Hemp Regulatory Program Act expressly authorizes two distinct categories of Hemp cultivation registration to be issued and administered by the CDA: (i) research and development; and (ii) commercial. "Research and Development" is defined as the "cultivation of Industrial Hemp by an institution of higher education under the pilot program administered by the CDA for purposes of agricultural or academic research in the development of growing Industrial Hemp."[8] In comparison, "Commercial" is defined as "the growth of Industrial Hemp, for any purpose including engaging in commerce, market development and market research, by any person or legal entity other than an institution of higher education or under a pilot program administered by the CDA for purposes of agricultural or academic research in the development of growing Industrial Hemp."[9]

On May 30, 2018, the governor of Colorado signed House Bill 18-1295 into law. This legislation modifies the Colorado Food and Drug Act to establish that food, cosmetics, drugs, and devices, as those terms are defined in the act, are not adulterated or misbranded by virtue of containing Industrial Hemp. This law codified a policy established in 2017 by the Colorado Department of Health and Environment ("CDPHE") that allowed for the production and sale of food products containing Industrial Hemp, so long as certain express conditions were satisfied. Under applicable legislation, food products containing Industrial Hemp must be produced by a wholesale food manufacturing facility that has registered with the CDPHE, and the finished product must contain a delta-9 THC concentration of no more than three-tenths of one percent (0.3%).

Michigan

ABL plans to manufacture and sell its products from oil extracted from Industrial Hemp in the State of Michigan.

The State of Michigan requires a food processing and establishment licence as well as an FDA registration. Prior to commencing operations, ABL will apply for the necessary license and registration. Should ABL not get the required license and registration, ABL will use a processing contractor which has the required license and registration.

The following is the overview of the legislation related to Industrial Hemp in the State of Michigan.

Act No. 548 Public Acts of 2014[10] excludes Industrial Hemp grown or cultivated for research from the definition of "marijuana".

[4] Id.
[5] Id.
[6] Id.
[7] See C.R.S. §§35-61-101, et seq.
[8] 8 CCR §1203-23(1.12).
[9] 8 CCR §1203-23(1.3).
[10] Available at http://www.legislature.mi.gov/documents/2013-2014/publicact/pdf/2014-PA-0548.pdf

Industrial Research Act of 2014[11] authorizes the growing and cultivating of Industrial Hemp for research purposes, authorizes the receipt and expenditure of funding for research related to Industrial Hemp, and prescribes the powers and duties of certain state agencies and officials and colleges and universities in Michigan.

Three bills passed on December 31, 2018 expanded the cultivation and sale of Industrial Hemp in Michigan.

House Bill 6331[12] defines Industrial Hemp as: "the plant Cannabis sativa L. and any part of that plant, including the viable seeds of that plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis. Industrial hemp includes industrial hemp commodities and products and topical or ingestible animal and consumer products derived from the plant Cannabis sativa L. with a delta-9 tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis". This bill excludes Industrial Hemp from the definition of marijuana.

Two bills sponsored by Rep. Dan Lauwers (R-81) created a licensing program for Industrial Hemp growers and hemp processor-handlers, and opened the door to sell hemp products to patients in Michigan's medical marijuana program.

House Bill 6330[13] passed on December 31, 2018 established separate licensing frameworks for growers and processor-handlers of Industrial Hemp. The program is written to remain federally compliant, and it does open the door for the commercial sale of Industrial Hemp.

The statute defines "broker" as "engage or participate in the marketing of Industrial Hemp by acting as an intermediary or negotiator between prospective buyers and sellers." Under the proposed law, "market" means "to promote or **sell** industrial hemp or an industrial hemp commodity or product. Market includes, but is not limited to, efforts to advertise and gather information about the needs or preferences of potential consumers or suppliers."

House Bill 6380[14] passed on December 31, 2018 established that Industrial Hemp is not included in the definition of marijuana. It also authorizes the Michigan Department of Agriculture and Rural Development to "establish standards, procedures, and requirements for **the sale of industrial hemp** from a provisioning center to a registered qualified patient."

FDA Regulation

The governing food and drug law in the United States is the Federal Food, Drug, and Cosmetic Act (i.e. the FDCA). The purpose of the FDCA is to forbid the movement in interstate commerce of adulterated and misbranded food, drugs, devices and cosmetics. The FDA is charged with protecting the integrity of the U.S. food supply and its cosmetic products, as well as monitoring the safety and efficacy of drugs, biological products, and almost any compound intended for human or animal consumption, among other areas.[15] To date, the FDA has not approved marijuana, CBD, and other individual cannabinoids as drugs, nor has the FDA deemed any marijuana, CBD, or other individual cannabinoids permissible for use in dietary supplements, as dietary ingredients or as safe for use in food. This creates additional barriers to lawfully selling cannabinoid and cannabinoid-based products in the U.S.

[11] Available at http://www.legislature.mi.gov/(S(d4sf403hg3ub2cmu0110w4fq))/documents/mcl/pdf/mcl-Act-547-of-2014.pdf
[12] Available at https://legiscan.com/MI/bill/HB6331/2017
[13] Available at https://legiscan.com/MI/bill/HB6330/2017
[14] Available at https://legiscan.com/MI/bill/HB6380/2017

[15] U.S. Food and Drug Administration, Mission Statement: http://www.fda.gov/downloads/aboutfda/reportsmanualsforms/reports/budgetreports/ ucm298331.pdf

The Dietary Supplement Health and Education Act (the "DSHEA"), an amendment to the federal FDCA, established a framework governing the composition, safety, labeling, manufacturing and marketing of dietary supplements in the United States. Generally, under DSHEA, dietary ingredients marketed in the United States prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. "New" dietary ingredients (i.e. dietary ingredients "not marketed in the United States before October 15, 1994") must be the subject of a new dietary ingredient notification submitted to the FDA unless the ingredient has been "present in the food supply as an article used for food" without being "chemically altered." Any new dietary ingredient notification must provide the FDA with evidence of a "history of use or other evidence of safety" establishing that use of the dietary ingredient "will reasonably be expected to be safe."

The FDA has taken the position that CBD cannot be marketed in a dietary supplement because it has been the subject of investigation as a new drug (such restrictions referred to as "IND Preclusion"). There is evidence that GW Pharmaceuticals plc received authorization for its investigation as a new drug ("IND") related to CBD in 2006. Excluded from the DSHEA definition of a dietary supplement is: "an article authorized for investigation as a new drug, antibiotic, or biological for which substantial clinical investigations have been instituted and for which the existence of such investigations has been made public, which was not before such approval, certification, licensing, or authorization marketed as a dietary supplement or as a food unless the Secretary, in the Secretary's discretion, has issued a regulation, after notice and comment, finding that the article would be lawful under this Act." It is the FDA's interpretation of the IND Preclusion that the preclusion date is the date in which it authorized the drug for investigation; however, the Issuer believes there are significant arguments against this position in that all conditions of the statute must be met before the IND Preclusion applies, including (1) authorization for investigation as a new drug; (2) substantial clinical investigations must be instituted; (3) such substantial investigations must be made public; and (4) all of the above must occur prior to the marketing of the article as a food or dietary supplement. As discussed below, the FDA takes the position that CBD was not marketed in a food or dietary supplement prior to all of the conditions for the IND Preclusion rendering effective. The Issuer disagrees with this position and further believes that its products will be sold in interstate commerce prior to the publication of substantial clinical investigations. Thus, the Issuer takes the position that the IND Preclusion does not apply. As of the date of this Listing Statement, the Issuer has not, and does not intend to file an investigational drug application with the FDA, concerning any of its products that contain CBD derived from Hemp.

The FDCA similarly does not recognize CBD as safe for use in food products, stating that a substance added to food is unsafe unless the substance is Generally Recognized as Safe ("GRAS"). The FDA has declined to recognize CBD as GRAS for human consumption, although certain hemp seed oils may be considered GRAS.[16][17] Further research is needed to determine if other cannabinoids would be considered GRAS or what steps would be necessary for them to be recognized as GRAS. In the meantime, stakeholders are collecting data to pursue a GRAS determination for CBD. Enforcement of this prohibition has been sporadic at best, with CBD products being sold across the nation with FDA enforcement generally limited to products making unlawful drug or health claims. But such sales of consumable CBD products, even if compliant with the CSA, would not be legal pursuant to the FDCA. While GW Pharmaceuticals plc is currently seeking FDA approval for a Cannabis-based pharmaceutical product, as of the date hereof the FDA has not approved Cannabis, marijuana or CBD as a safe and effective drug for any indication. The Issuer's products containing CBD derived from Hemp will not be

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[16] 21 CFR § § 170.30(b), (c), 170.3(f).

[17] 21 CFR § 1308.35 (a)(2). The DEA's final rule on legal hemp materials and products specifically excludes materials used for human consumption

marketed or sold using claims that their use is safe and effective treatment for disease conditions pursuant to the FDCA.

Despite the position taken by the FDA, the Issuer believes there is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether cannabinoids were present in the food supply and marketed prior to October 15, 1994 or whether such inclusion of cannabinoids is otherwise approved by the FDA as dietary ingredients, notwithstanding that Cannabis and the cannabinoids contained therein have been therapeutically used and consumed as food by human beings for centuries even if not specifically labeled as CBD or other cannabinoids. In addition, the Issuer believes there is substantial uncertainty and different interpretations as to whether cannabinoids are by definition an impermissible adulterant due to Cannabis being a controlled substance under the CSA. As a result, the Issuer believes the federal legality regarding the distribution and sale of hemp-based products intended for human consumption or cosmetic use must be considered on a case-by-case basis and that the uncertainties cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules. A determination that hemp products containing cannabinoids were not present in the food supply, marketed prior to October 15, 1994, are not otherwise permissible for use as a dietary ingredient or are adulterants, may have a materially adverse effect upon the Issuer and its business. Moreover, if the FDA were to enforce the IND Preclusion based on its interpretation of the legislation, this would have a materially adverse effect upon the Issuer and its business. See section 17 "Risk Factors".

Hemp derived products may be legally sold and marketed in the United States where they contain hemp lawfully imported from another country or cultivated pursuant to a state agricultural pilot program, provided the product complies with the FDCA and applicable state and federal law. Textiles, fibers, and certain food and cosmetic products containing hemp seed and hemp seed oils can be lawfully sold in compliance with federal law. Products containing CBD, however, may only be legal to the extent they are lawfully sourced, sold in a state where state law does not prohibit such sale and where they are compliant with the FDCA. Compliance with the FDCA may prove difficult for most CBD products, while other hemp-based products such as hemp seed, hemp seed oils and certain non-consumable products may be able to achieve compliance with FDCA more easily.

Except as described above and elsewhere in this prospectus, the Issuer is in compliance with applicable law and has not received any citations or notices of violation which may have an impact on the Issuer's Licenses, business activities or operations.

Future Uncertainty of Legal Status

Despite the positive changes brought by the 2018 Farm Bill, there remain a number of considerations and uncertainties regarding the cultivation, sourcing, production and distribution of Hemp and products containing Hemp derivatives. Applicable laws and regulations remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the Cannabis plant and the scope of operation of 2018 Farm Bill-compliant Hemp growers and licensed CBD producers from Hemp. These different federal, state and local agency interpretations, as discussed above, touch on the regulation of cannabinoids by the DEA and/or the FDA and the extent to which imported derivatives, and/or 2018 Farm Bill-compliant cultivators and processors may engage in interstate commerce, whether under federal and/or state law. The uncertainties likely cannot be resolved without further federal and state legislation, regulation or a definitive judicial interpretation of existing legislation and rules.

After the passing of the 2018 Farm Bill, there will be significant, shared state-federal regulatory power over hemp cultivation and production. Under section 10113 of the 2018 Farm Bill, state departments of agriculture must consult with the state's governor and chief law enforcement officer to devise a plan that must be submitted to the Secretary of the USDA. A state's plan to license and regulate hemp can only commence once the Secretary of the USDA approves that state's plan. In states opting not to devise a hemp regulatory program, the USDA will construct a regulatory program under which hemp cultivators in those states must apply for licenses and comply with a federally-run program. In the nearest future the shared state-federal regulation is likely to result into a complex, fast-changing and complex regulatory framework.

The Issuer's Regulatory Compliance Activities

The Issuer's senior management team regularly monitors the development of applicable U.S. laws and the Issuer continues to engage a U.S. legal counsel to ensure it is operating in compliance with all applicable laws and permits.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

After disqualifying several potential projects for a qualifying acquisition, the Issuer announced on March 22, 2018, the execution of the DASE-Agr. On February 1, 2018, ABL acquired Pro-Thotics in a share exchange agreement involving a "common control" transaction involving no change in ultimate equity ownership.

The Transaction resulted in a reverse takeover whereby the Resulting Issuer integrated ABL and PTI, as two wholly owned subsidiaries each with a talented and experienced management team and two separate lines of business and became the Resulting Issuer.

Note to the reader: as PTI and ABL are subsidiaries that produce very different products, each subsection addresses PTI and ABL separately unless, in the context of the heading, it applies to the Resulting Issuer.

Business Objectives of the Resulting Issuer

Business Objectives Related to the Business of PTI

The business strategy of the Resulting Issuer is to facilitate and expand on the objectives of both of its acquired subsidiaries, PTI and ABL.

PTI is engaged in the sale of Durable Medical Equipment ("DME"). For the last 25 years PTI's DME business was so far mostly concentrated in the USA states of New York, New Jersey, and Florida. During PTI's 25-year history, its DME products provided relief from pain and medical issues to 200,000 patients located throughout the USA and Puerto Rico.

PTI intends to expand on the DME business aggressively over the next 12 months through increased marketing on a national level, to encompass all states of the US and other areas of North America. The longer-term objective will be to expand the DME business by investigating the acquisition or integration of other existing DME companies throughout the US.

A further plan for expansion will be to investigate possible acquisition or integration of other existing DME companies, make them more efficient using the current PTI supply chain and marketing methods. The potential purchase of another DME company will be solely based on opportunity, as it is presented.

Business Objectives Related to the Business of ABL

A further objective of the Resulting Issuer is to enter into the CBD marketplace to produce its own branded CBD and related products through ABL. The Resulting Issuer intends to be involved in the manufacture of products from CBD extract for sale to the public. CBD that will be utilized by the Resulting Issuer will be derived from Hemp oils.

ABL plans to source the Hemp CBD oil from authorized and licensed CBD producers in Colorado. ABL plans to manufacture and sell its products in the State of Michigan. The regulatory framework applicable to these two states and state licensing requirements are discussed in section 3.3.2 of this listing statement.

Availability of Funds

In order to achieve the business objectives by PTI in the DME sector, the Resulting Issuer will expand gradually on a monthly basis utilizing the cash flow from existing operations of PTI. Based on experience in this field, the management understands that the best use of the cash flow will be directed towards direct marketing such as TV and print advertising campaigns in accordance with the applicable law. Management will also investigate the acquisition or integration of other existing DME companies, make them more efficient using the current supply chain and marketing methods.

In order for the Resulting Issuer and its subsidiary ABL to enter into the production of the various lines of CBD and related products, it would need either to raise approximately US$ 4,100,000 or it will have to finance its CBD business from its currently available funds and the cash flow of PTI. If raised, the US$ 4,100,000 will be used to set up production facilities for the extraction and manufacture of CBD products as well as create inventory of a wide range of CBD products. Please see "Milestones" under this section below for a more detailed description of the proposed use of funds. However, there can be no guarantee that the Resulting Issuer will be able to raise the US$ 4,100,000.

If the Resulting Issuer is not able to raise approximately US$ 4,100,000, the Resulting Issuer will use the currently available funds and cash flow of PTI, if available, to develop its Hemp based CBD products. In this scenario, ABL plans to utilize an existing licensed facility in Livonia, Michigan as a contract producer. The intended producer is currently able to produce a wide range of CBD products and has enough excess capacity to produce for ABL. There are various other licensed facilities in Michigan with excess capacity that would be able to produce for ABL. ABL will market these products to the existing database of PTI in the State of Michigan. The contract producer is further prepared to drop ship the products to the customers thereby alleviating the need for ABL to keep large inventories on hand.

In the second scenario where ABL's CBD business is financed from the currently available funds and available cash flow of PTI, minimal funds will be needed to start the CBD business. ABL will need approximately US$10,000 to develop its website for a comprehensive catalog of products that will be available for sale and approximately US$ 40,000 for any increased administration and marketing costs. No inventory will be needed as the contract producer will drop ship all orders directly to the consumer. ABL will utilize PTI marketing arm for all sales, which will be to existing customers of PTI. No new employees will be needed, and all sales will be managed within the current infrastructure. ABL has also negotiated 30-day net terms with the contract producer, while sales to customers will only be by way of credit cards with no credit being extended to the customers. In this scenario, over the next 12 months ABL plans to expand the CBD business organically, and within a period of 12 to 18 months plans to utilize any available cash flow from the CBD business to commence a single line production facility and over time to add and increase production lines at the production facility.

The following table sets forth the estimated funds available to the Resulting Issuer following the completion of the Transaction during the next 12 months.

Source of Funds	Available Funds following Regulatory Approval of Transaction in USD
Estimated working capital as of February 28, 2019	311,000
Estimated expenses and costs related to the Transaction	(75,000)
Total Funds Available	**236,000**

In addition, there is a loan financing available to ABL in the amount of US$1,000,000 available that is provided by Atlantic Capital Lenders Corp., based in New York, New York and was confirmed on January 31, 2019. ABL has not drawn any funds from the loan as of the date of this Listing Statement but if it were to draw any funds the terms and conditions of the loan are as follows:

Principal Amount: $1,000,000.00.
Loan Term: Three year note from the date of funding.
Loan Interest:12% per annum.
Payment Period: Payments of capital and interest shall be made quarterly.
Payment Terms: Twelve equal payments with each payment made quarterly.
Funding shall take place immediately upon execution and submission of the loan agreement to the office of Atlantic Capital Lenders Corp.

In addition to the available funds disclosed in the above table, the Resulting Issuer will utilize a portion of PTI's cash flow to extent it is available to further the business of ABL.

Milestones

In the case of PTI, there are no specific milestones to achieve as the expansion will be gradual on a monthly basis utilizing the cash flow of the existing operation.

The milestones for the Resulting Issuer with respect to the business of ABL are set out in the following four scenarios.

Scenario 1 – An amount of US$ 236,000 is Available to Develop the Business of ABL

Under the first scenario, an amount of US$ 236,000 is available to ABL, and PTI is not able to provide any cash flow to develop the business of ABL.
As previously explained, the new CBD business will be generally included in the same cost framework as the existing PTI operations with the exception of the following additional expenses during the next 12 months as set in the table below:

Description	Amount in US$	
Transfer agent and filing fees	$	24,000
Directors and officers	$	36,000
D & O insurance	$	36,000
ABL Website design	$	10,000
ABL Start-up administration and marketing costs	$	40,000
Unallocated capital	$	90,000
Total Expenses	**$**	**236,000**

ABL will need approximately US$10,000 to develop its website for a comprehensive catalog of products that will be available for sale. A further US$40,000 will be required for any increased administration and marketing costs. No inventory will be needed as the contract producer will drop ship all orders directly to the consumer. ABL will utilize the PTI marketing arm for all sales, which will be to existing customers of PTI. No new employees will be needed, and all sales will be managed within the current infrastructure. ABL has also negotiated 30-day net terms with the contract producer, while sales to customers will only be by way of credit cards with no credit being extended to the customers.

In this scenario, over the next 12 months ABL plans to expand the CBD business organically, and within a period of 12 to 18 months plans to utilize any available cash flows from the CBD business to commence a single line production facility and over time to add and increase production lines at the production facility.

Although ABL has a US$1,000,000 line of credit available, it does not anticipate utilizing this facility in the foreseeable future.

Scenario 2 - $236,000 and Cash Flow from the Business of PTI are Available to Develop the Business of ABL

In the second scenario, to the extent that the cash flow is available from the business of PTI, ABL will use that cash flow in addition to US$ 236,000 to accelerate the business of ABL towards its objectives of selling and potentially producing Hemp-based CBD products.

Scenario 3 – Raising US$ 4,100,000

In order to enter into the CBD market as a manufacturer, the Resulting Issuer will need substantial inventory and a secure supply chain of CBD extract without THC content. To meet this goal efficiently the Resulting Issuer intends to establish an extraction and production facility for its CBD products in Detroit, Michigan. Over the next 4 to 6 months the Resulting Issuer, under the leadership of Dr. Samuel Alawieh, will finalize existing plans, secure sources of machinery and finalize the production process for the CBD products. In the following 6 months, the Resulting Issuer will embark on raising the necessary funds to achieve these goals. The amount needed will be US$4.1 million and will be raised from a combination of debt, corporate bonds and equity.

(i) Over the next 6 months the Resulting Issuer does not expect any significant costs during the planning stages of the CBD production. These costs will be met out of existing working capital.

(ii) When and if the Resulting Issuer is able to raise the above mentioned US$ 4,100,000, US$ 2,350,000 will be utilized to build out the production facility to produce the CBD extract and to begin production of the various lines of products. A further US$ 853,650 will be utilized to manufacture lozenges, capsules, oils and powder and finally US$ 896,350 will be utilized to create the beauty products line.

The following table sets out the planned use of the US$ 4,100,000:

CBD Manufacturing	
Processing	$ 1,500,000
CBD Manufacturing	500,000
Cosmetics Manufacturing	200,000
Fulfillment Center	150,000
Total	**$ 2,350,000**
CBD Products	
Lozenges/Mints	$ 126,000
Capsules/Gum	252,000
Pixie Stixs	63,000
Gummies	81,900
Oil	236,250
Powder/Crystals	94,500
Total	**$ 853,650**
CBD Beauty Products	
Production costs of Serums and Creams	**$ 896,350**
Total	**$ 4,100,000**

There can be no guarantee that the Resulting Issuer will be able to raise US$ 4,100,000.

Scenario 4 - Resulting Issuer Raises less than US$ 4,100,000

If the Resulting Issuer is only able to raise a portion of the $4,100,000 the priorities are as follows:

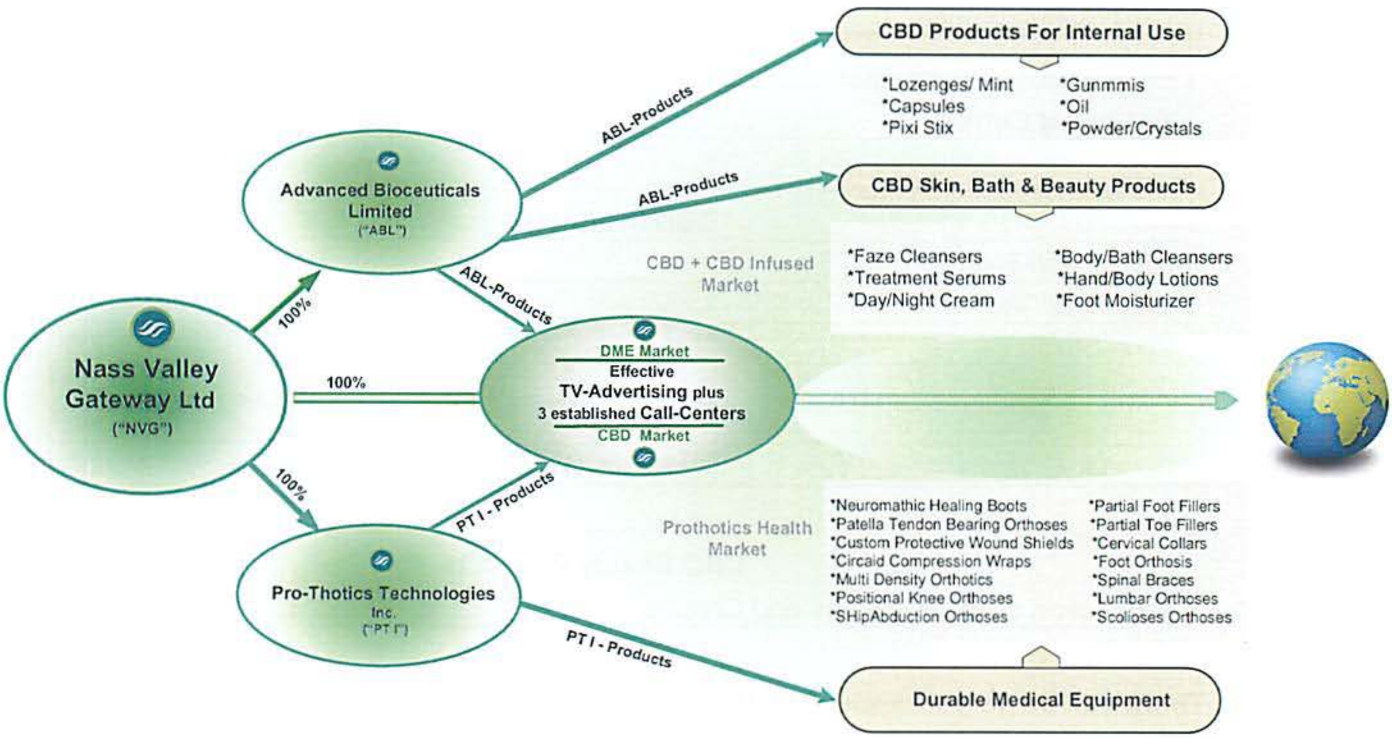
- US$2,350,000 or less: The first priority would be to build the production facility, a smaller facility if less than US$ 2,350,000 is being raised.
- Above US$2,350,000: Depending on the amount above US$2,350,000, ABL would first start production of its CBD products and built up its inventory and secondly start developing its beauty products.

If the Resulting Issuer is not able to raise US$ 4,100,000, then the Resulting Issuer will use available cash flow from PTI to develop its products gradually on an adjusted time schedule.

Products and Services

The following schematic diagram illustrates the structure of the Resulting Issuer and its current products through PTI and planned products of the start-up business of ABL.

S&M STRUCTURE FOR RESULTING ISSUER AND INITIAL PRODUCTS



Description of Products and Services of PTI

PTI specializes in supplying orthotic braces to patients covered by US Medicare and private insurance providers.

(a) PTI's marketing strategy utilizes television media through afternoon and evening advertising campaigns. Although PTI's geographical focus is nationwide, most of the advertising is focused in the Northeastern US, where PTI's New York and New Jersey are well established. As PTI has been offering patients a full range of products and services on a custom made and fit basis for over 25 years, the company started in 2017 to use a direct marketing campaign which includes sending direct mail to prospective patients. PTI distributes the Orthotic braces via a mail order system, whereby the products are now drop-shipped directly from the manufacturer. This has resulted in substantial savings of resources, cash flow and logistics by not having to hold any inventory and not having to maintain a shipping department.

(b) (i) Over the two most recently completed financial years, PTI had no equity position in any joint ventures and therefore no sales or financial transfers to any joint venture entities. Over the two most recently completed financial years, PTI derived 100% of revenues from the sale of orthotic braces to outside customers.

(ii) Over the two most recently completed financial years, PTI had no sales or financial transfers to controlling shareholders.

(iii) Over the two most recently completed financial years, PTI had no sales or financial transfers to investees.

(c) All principal products for sale by PTI are fully developed and in production by third party suppliers.

Internal Controls of PTI

During the current financial year there was a breakdown in internal controls as regards the handling of a routine audit claim enquiry from an insurance company. This resulted in payments being suspended. All the relevant paperwork was subsequently provided to the insurance company and the issue was satisfactorily resolved. Payments commenced in the fourth quarter and the issue was subsequently resolved. Additional internal controls have been implemented to prevent this from happening in the future.

Description of Proposed Products of ABL

ABL will manufacture and sell various products derived from CBD extract containing zero THC.

Dr. Alawieh has also developed a full line of proprietary CBD products and, through his experience running various companies related to CBD, Dr. Alawieh has completed all the research and development of the CBD products that ABL will produce and sell with the effect that no further research and development is needed at this stage to achieve ABL's present objectives.

Production and Sales

Sales of PTI Products

Within PTI's structure all inbound leads which are transferred to one of the Target's established call centers are initially routed through a media company. On the initial call, the lead provider's agents are screening and qualifying the patient. A qualified patient is one that has told the lead provider representative they need orthotic bracing to help relieve them of pain. The lead provider inputs the information about the patient and then sends it through to PTI.

One PTI sales representative will begin verifying the imputed information collected by the media company with the patient to ensure all data is correct. The assigned sales representative will review and gather all necessary additional information from the patient and check the insurance I.D. number and its claim eligibility. If the lead comes back as eligible for Medicare or an acceptable insurance, the sales representative will continue with the next part of the call. Once the lead has been qualified, PTI's sales representative will conduct a quick and simple medical history triage questionnaire.

After successfully completing the sale, collecting all necessary data, and getting a verbal commitment from the patient on a recorded line that the company can provide their medical information to the document retrieval company, PTI will submit it. The document retrieval process results in a doctor's prescription, which is a requirement for the insurance reimbursement. When all documents are collected, including prescriptions and supporting medical notes for the devices prescribed, the order is then sent to PTI's back office for processing.

Once a complete order is sent over to the back office of PTI the team will begin the data entry verification process. The back-office team will print out files from the document retrieval company, verify that all documents are in order and impute the data into the application.

When an order has been verified and imputed by the back office, it is marked as ready to be shipped via PTI's health application. From here the company will drop-ship hundreds of braces across the county to patients in need. Most orders are shipped through UPS' "next- day-air" to ensure fast delivery and to have a better retention rate with our patients. This also speeds up the cash flow.

Orders are delivered usually with 24 to 48 hours after shipping. Once a notice of delivery is made by email, PTI's back office will begin printing out the proof of delivery. When the back office has collected all the necessary documentation to complete the patient's medical chart including proof of delivery, they mark the order for customer service follow up.

After a full chart is completed, it will go to the customer service team which will give all patients a follow up call to ensure devices were received by the correct person and are fitting correctly. This keeps PTI compliant with Medicare and insurance payor rules and minimizes potential customer service issues in the future. When confirmation has been received from the patient, the customer service representative will mark the order ready to be billed in PTI's application.

Subsequent to all steps being completed and a full chart has been verified via phone, the service and product delivered will be billed. On average a durable medical equipment company will receive the funds between 15 to 30 days from the date of billing.

Proposed Sale of ABL Products

Being a start-up company ABL has no previous sales or revenue. Initially, ABL will use the existing marketing infrastructure of PTI and its patient data base in Michigan. This will result in significant cost and working capital savings. In addition, ABL will also use existing eCommerce-based websites to market its products and will comply with the applicable laws in marketing these products.

Since the completion of the Transaction between the Issuer and the Target ABL has been headed by Dr. Samuel Alawieh. Dr. Alawieh is the Chief Operating Officer of ABL and the Resulting Issuer.

Dr. Alawieh, who did undergraduate studies in botany, biochemistry and physics prior to receiving his Doctor of Pharmacology at the age of 22, is a scientist with significant experience in many aspects of CBD. Dr. Samuel Alawieh is engaged in research and development of CBD and related products. Dr. Alawieh has developed extraction methods that make CBD production more effective and lower its cost.

Mortgages and Leases

With the exception of an insignificant office lease, the Issuer, ABL and PTI do not have any mortgages or any leases.

Specialized Skill and Knowledge Requirements

The management of PTI has been in the Orthotics business for over 25 years. This has enabled PTI to position itself as a major supplier of Orthotics braces within the USA. Mr. J. Affenita is the founder and current Chief Executive Officer of PTI. a position he has held since 2000 and is also the Chief Executive Officer of the Resulting Issuer. He is an ABC (American Board for Certification) and BOC (Board of Certification) Orthotist and Prosthetist, serving the O&P field for 20 years. Mr. Affenita will devote 100% of his time to the Issuer.

Mr. Vax and Mr. Racaniello are the major shareholders of the Resulting Issuer and will, as directors of both subsidiaries, help the Resulting Issuer with their experience and knowledge.

Mr. Vax graduated Summa Cum Laude from Gibbs Business Institute with degree in Business Management; GPA 3.94 in 2003 and became the same year a Senior Loan Consultant for HSBC Mortgage Corp where Gregory quickly rose through the ranks and was appointed team leader within 6 months of employment. He was responsible for hiring and training new staff and had 11 junior brokers under his management. Under his guidance, the team consistently generated in excess of $20,000,000 in originated loans per month. Mr. Vax was in 2005 a founding member of Dynamic Financial LLC where he directed strategies in obtaining private funding for growing businesses in the construction sector. Through his extensive network, Gregory was able to facilitate private finance in the amount of $33,000,000 for one of the largest private home builders in the Hudson Valley Region of New York State. In 2014 Mr. Vax was introduced to the healthcare sector, in particular durable medical equipment. Within weeks of learning the scope of the healthcare marketplace and the inner workings of the durable medical equipment business he decided to open an orthotic and prosthetic storefront. While operating his storefront, Mr. Vax put together a business model where he would be able to reach a national market as opposed to treating individual patients. He helped pioneer a business plan where patients from around the continental USA would be able to get over the counter soft good products like back, knee, ankle and shoulder braces overnight thus birthing the mail order segment of his business.

Presently, Mr. Vax along with his business partner Michael Racaniello have a database of over 30,000 patients that they have treated over the course of 3 years and have consistently shown growth since their inception.

Mr. Racaniello is an experienced and accomplished health care sales campaign and operation manager with over 3 years of experience looking to utilize his past experience and knowledge in the current health care market to continue to serve patients within the PTI Business while continuing to increase revenue for PTI. As VP of national sales for Prothotic Health Technologies Mr. Racaniello defined the overall strategies on an annual basis to drive sales growth nationwide and created new territory development strategy to capitalize on opportunities and capture market share. Mr. Racaniello reviews market analyses to determine customer needs, market potential, price schedules and contracts and maintains ongoing relationships with customers to ensure maintenance of current base as well as growth of new sales with the medical provider. He maintains and strengthens clinical synergy relationships throughout all levels of the hospital and care facilities with various departments to help retain and expand PTI's account presence and market share position.

Mr. Racaniello keeps the management team continuously abreast with weekly and monthly sales recaps showing sales volume, potential sales volume, risks and opportunities.

Since the completion of the Transaction, ABL has been headed by Dr. Samuel Alawieh. Dr Alawieh is the Chief Operating Officer of ABL and the Resulting Issuer. Dr. Alawieh, who did undergraduate studies in botany, biochemistry and physics prior to receiving his Doctor of Pharmacology at the age of 22 is a scientist with significant experience in many aspects of CBD. Dr. Samuel Alawieh is engaged in research and development of CBD and related products. Dr. Alawieh has developed extraction methods that make CBD production cost effective. Dr. Alawieh has developed a full line of proprietary CBD products.

Sources, Pricing and Availability of Raw Materials

The Resulting Issuer, through its subsidiary, PTI, uses a drop ship method to supply the patients. There are many suppliers of Orthotics at very competitive prices. PTI has a long and established relationship with its preferred suppliers, which are major manufacturers to the industry and have never experienced any supply issues. All orthotics supplied are prefabricated ready for use.

In contrast, the raw material needed to manufacture CBD products for ABL is Hemp oil and ABL will source Hemp products from licensed producers. Currently there is an oversupply of such Hemp products and ABL is presently able to negotiate long term supply agreements with licensed producers in Colorado.

Identifiable Intangible Properties

Neither the Resulting Issuer or its subsidiaries have any identifiable intangible properties.

Cyclical or Seasonal Business

PTI sells its products to patients and bills medical insurance companies for the products. Due to insurance deductibles, monthly revenues during the first 3 months of each year tend to be lower than the remaining 9 months of the year.

The business and products of ABL will not be seasonal nor cyclical in nature. Due to indoor and outdoor growing of hemp, it is expected that supply will be continuously available.

Potential Effects of Renegotiation or Termination of Contracts

The Resulting Issuer is not aware of any contracts or agreements that are subject to renegotiation or termination that would have a material effect on the Resulting Issuer or its subsidiaries.

Environmental Protection Requirements

It is the Resulting Issuer's intention to operate environmentally responsibly in all facets of its business and it does not anticipate any of its future development being negatively impacted by environmental protections and regulations. As at the date of this Listing Statement, the Issuer is not aware of any regulations, proposed, contemplated or enacted, that will have a negative impact on the Resulting Issuer's operations or product developments.

Number of Employees

As of the date of this Listing Statement, the Resulting Issuer through its subsidiary, PTI, currently has four full time paid employees consisting of Michael Racaniello, Gregory Vax and two staff members.

Foreign Operation Risk

Foreign operation risks have been discussed in detail in sections 3.2.2 and 17 of this Listing Statement.

Contracts upon which the Resulting Issuer is Substantially Dependent

ABL presently has no supply contracts on which the Resulting Issuer would be substantially dependent. ABL is able to choose from several suppliers who would meet ABL's qualification and specification requirements.

The Resulting Issuer does not reasonably expect to be affected in the current fiscal year by the renegotiation or termination of any contracts.

Competitive Conditions

(a) In the case of PTI, the DME's prices are fixed by insurance companies and Medicare. However, companies with larger marketing budgets could attract more patients.

(b) The growth of entities producing CBD based products may create competition and may make it more difficult for ABL to enter the market. These potential competitors may have greater financial, technical, and managerial resources than ABL, which may make it difficult for ABL to develop and expand its business and to grow or sustain its revenue.

Continued development of the Hemp industry in the US and in other countries and the removal of restrictions on the growing and cultivation of Hemp-based products are necessary for the growth of ABL.

Lending and Investment Policies and Restrictions

The Resulting Issuer and its subsidiaries will not lend any funds or make any investments outside its business objectives from future profits.

Bankruptcy and Receivership

There are no bankruptcies, receiverships or similar proceedings against the Issuer or any of its subsidiaries or voluntary bankruptcies, receiverships or similar proceedings by the Issuer or any of its subsidiaries during the last three financial years.

Material Restructuring

There has been no material restructuring of the Issuer during the last three financial years, other than the Acquisition.

Structure of the Resulting Issuer

The corporate structure of the Resulting Issuer is described in Section 2.4 of this Listing Statement.

The initial sales and marketing structure of the Resulting Issuer is graphically shown in Section 4.1 of this Listing Statement.

Social and Environmental Policies

The Resulting Issuer and its subsidiaries have not implemented social or environmental policies but its board of directors is committed to operate as a clean-tech company and be environmentally and socially responsible at all levels of its operations in accordance with the applicable environmental or human rights legislation.

4.2 **Asset-backed Securities**

Neither the Issuer nor its subsidiaries have any asset backed securities outstanding.

4.3 **Mineral Projects**

This section does not apply to the Resulting Issuer or its subsidiaries.

4.4 **Oil and Gas Operations**

This section does not apply to the Resulting Issuer or its subsidiaries.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 ISSUER (Annual Information)

The following table summarizes the financial information of the Issuer for the fiscal years ended December 31, 2015 to December 31, 2017. This summary should only be read in conjunction with the Issuer's financial statements, including the notes thereto. The Issuer's audited financial statements for the years ended December 31, 2015, 2016, and 2017 are attached hereto as Exhibit "A1".

	Year Ended December 31, 2015 (Audited)	Year Ended December 31, 2016 (Audited)	Year Ended December 31, 2017 (Audited)
Total Revenues	Nil	Nil	Nil
Operating and Administrative Expenses	289,013	80,637	111,604
Net Loss	(263,496)	(83,672)	(111,604)
Net Loss per Basic Common Share/Fully Diluted Share	(0.01)	(0.00)	(0.01)
Total Assets	268,893	192,301	108,131
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends per Share	Nil	Nil	Nil
Shareholders' Equity	261,018	191,162	107,517

The following table summarizes the financial information of ABL in US$ for the fiscal years ended December 31, 2015 to December 31, 2017. This summary should only be read in conjunction with the ABL's/PTI's financial statements, including the notes thereto. ABL's/PTI's audited financial statements for the years ended December 31, 2015, 2016, and 2017 are attached hereto as Exhibit "B1". As disclosed in 4.1, on February 1, 2018 ABL acquired PTI in a share exchange agreement and as such the attached financials are in the name of PTI.

	Year Ended December 31, 2015 (Audited)	Year Ended December 31, 2016 (Audited)	Year Ended December 31, 2017 (Audited)
Total Revenues	2,355,156	3,997,667	2,536,802
Operating and Administrative Expenses	1,705,743	3,561,106	2,287,908
Net Loss	(57,367)	(347,680)	(186,493)
Net Loss per Basic Common Share/Fully Diluted Share	Note 1	Note 1	Note 1
Total Assets	458,948	526,559	1,075,617
Total Long-term Financial Liabilities	10,940	250,000	Nil
Cash Dividends per Share	Nil	Nil	Nil
Shareholders' Equity	(225,110)	(572,790)	(759,283)

Note 1: PTI's audited financial statements were prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. As PTI was a privately held company the financial statements do not reflect the net loss per basic common share/fully diluted.

5.2 Quarterly Information for Nass Valley Gateway Ltd and Advanced Bioceuticals Limited

Selected quarterly information

The following table summarizes selected quarterly information for Nass Valley Gateway Ltd. for the last eight most recently completed quarters ending at the end of the most recently completed interim financial statement for the quarter ended September 30, 2018, and should only be read in conjunction with the Issuer's financial statements, including the notes thereto. Nass Valley Gateway Ltd.'s unaudited interim financial statements for the quarters ended March 31, 2017, June 30, 2017, September 30, 2017, March 31, 2018, June 30, 2018 and September 30, 2018 are attached hereto as Exhibit "A2". The Issuer's financial statements for each of the quarters, including its year-end audited financial statements listed below, are available on SEDAR at www.sedar.com.

Three months ended	Sep 30 2018	Jun 30 2018	Mar 31 2018	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016
Total assets	78,537	91,251	95,480	108,131	123,556	148,453	166,968	192,301
Working capital (deficiency)	75,256	86,422	87,150	104,517	119,379	132,454	160,377	188,162
Shareholders ' equity	78,256	89,422	90,150	107,517	122,379	135,454	163,377	191,162
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(12,762)	(37,189)	(26,988)	(28,167)	(14,582)	(37,853)	(31,002)	(32,597)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The following table summarizes selected quarterly information for ABL in US$ for the last three most recent statements, including the notes thereto. ABL.'s unaudited interim financial statements for the quarters ended March 31, 2018, June 30, 2018, September 30, 2018 are attached hereto as Exhibit "B3". As ABL as a private Company was not required to file quarterly financials only the last three quarters are available.

Three months ended	Sep 30, 2018	June 30, 2018	Mar 31, 2018
Total assets	2,552,000	2,116,677	1,774,005
Working capital (deficiency)	574,723	(1,008,495)	(880,678)
Shareholders' equity	(344,815)	(664,559)	(576,910)
Revenue	1,330,242	968,439	1,229,344
Net loss	319,744	(87,649)	182,373

5.3 Dividends

It is not anticipated that the Resulting Issuer will pay any cash dividends in the foreseeable future. It is expected that the Resulting Issuer will use its earnings to finance further business development. Any future determination to pay dividends will be at the discretion of the Resulting Issuer's board of directors and will depend on, among other things, the Resulting Issuer's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the board of directors may deem relevant. There are no restrictions on the Resulting Issuer's ability to pay dividends.

5.4 Foreign GAAP

The Issuer is presenting its consolidated financial information in accordance with International Financial Reporting Standards or IFRS and not on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 (a) ISSUER'S ANNUAL MD&A FOR THE YEAR END 2017

The Issuer's MD&A for the years ended December 31, 2015, 2016, and 2017 are attached hereto within Exhibit "A1".

(b) Issuer's and Target's Interim MD&A

The Issuer's MD&A for the period ending September 30, 2018 is attached within Exhibit "A2". The Target's MD&A for the period ending September 30, 2018 is attached within Exhibit "B3".

6.2 Overall Performance

The Issuer's overall performance did not change in 2017 compared to the previous years.

6.3 Proposed Transaction and Pro-Forma

For further details concerning the expected impact of the Acquisition of ABL on the Issuer's financial condition, results of operations and cash flows, see the unaudited pro-forma financial statements attached hereto as Exhibit "C".

The pro-forma statement has been prepared for illustrative purposes, is prepared in accordance with IFRS, and is based on the reviewed interim financial statements of the Issuer for the quarter ended September 30, 2018 and the Target's reviewed interim financial statements for the quarter ended September 30, 2018.

The selected financial data presented is derived from and should be read in conjunction with the pro-forma statement in its entirety, which is set out in Exhibit "C" to this Listing Statement.

7. MARKET FOR SECURITIES AND MARKET PRICE

The Issuer Shares are listed on the CSE under the CSE trading symbol "NVG" and were halted from trading on February 8, 2017 pending exchange approval of a proposed transaction that was not proceeded with, and have remained halted since that time. The closing market price of the Issuer Shares on February 8, 2017, the last day on which there could have been a trade of Issuer Shares, was $0.06.

ABL and PTI are private companies. Their securities never traded on any stock exchange.

8. CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the most recently completed financial year contained in this Listing Statement.

9. OPTIONS TO PURCHASE SECURITIES

9.1 Options to Purchase Securities

The following table summarizes the outstanding and issued options of the Issuer outstanding as at the date of this Listing Statement.

Group	Number of Options	Securities under Options	Expiry Date	Exercise Price	Market value of the Common Shares on the Date of Grant	Market value of the Common Shares on the Date of Listing Statement [1]
Directors and Executive Officers (2 persons)	295,000	Common Shares	October 25, 2019	$0.10	$0.04	$0.06
Directors and Executive Officers (2 persons)	295,000	Common Shares	December 5, 2020	$0.10	$0.06	$0.06
Directors (not Exec-Officers) (2 persons)	180,000	Common Shares	October 25, 2019	$0.10	$0.04	$0.06
Directors (not Exec-Officers) (2 persons)	180,000	Common Shares	December 5, 2020	$0.10	$0.06	$0.06
Consultants (2 persons)	70,000	Common Shares	October 25, 2019	$0.10	$0.04	$0.06
Consultants (3 persons)	85,000	Common Shares	December 5, 2020	$0.10	$0.06	$0.06
Totals	**1,105,000**					

[1]The market price is based on the trading price before the shares of the Issuer were halted in February 2017.

Stock Option Plan

All of the options have been granted pursuant to the terms of the Stock Option Plan approved by the Issuer's directors on July 15, 2006 (the "Stock Option Plan"), which has been ratified during every subsequent annual general meeting of the shareholders of the Issuer. The Stock Option Plan was established to provide additional incentives to attract, retain and motivate directors, officers, employees and consultants.

The following is the summary of the main terms of the Stock Option Plan.

The Stock Option Plan is a "rolling" option plan and options to purchase up to 10% of the issued and outstanding Issuer-Shares in a 12-month period have been authorized under the Stock Option Plan. In addition, the following restrictions apply to the Stock Option Plan: (i) the number of Common Shares reserved for issuance to any one individual under the Stock Option Plan will not exceed 5% of the issued and outstanding Issuer-Shares in a 12-month period, (ii) the aggregate number of Issuer-Shares reserved for issuance to all individuals conducting investor relations activities in any 12-month period will not exceed 2% of the issued and outstanding Issuer-Shares, and (iii) the number of Issuer-Shares reserved for issuance to any one consultant in any 12 month period under the Stock Option Plan will not exceed 2% of the issued and outstanding Issuer-Shares.

Options are exercisable for a period of up to five (5) years from the date of the grant; provided that, should the expiry date of any vested option fall on, or within nine (9) trading days immediately following, a date upon which the participant is prohibited from exercising such option due to a black-out period or other trading restriction, then the expiry date of such option shall instead be ten (10) trading days following the date the relevant black-out period or other trading restriction imposed by us is lifted, terminated or removed.

Options may be granted under the Stock Option Plan to such service providers of the Issuer and its affiliates, if any, as the board of directors may from time to time designate. The exercise prices shall be determined by the board of directors, but shall, in no event, be lower than the greater of the closing market prices of the Issuer's Shares on: a) the trading day prior to the date of the grant of stock options; and b) the date of grant of stock options.

In accordance with the Issuer's Articles, the Directors have the power to implement a vesting schedule with respect to granted options.

Five years is the maximum term of an option.

10. DESCRIPTION OF THE ISSUER'S SECURITIES

10.1 General

The authorized capital of the issuer consists of:

a) an unlimited number of Issuer Shares (common shares) without par value without special rights and restrictions attached;
b) an unlimited number of convertible preferred Class A Shares without par value with special rights and restrictions attached; and
c) an unlimited number of convertible preferred Class B Shares without par value with special rights and restrictions attached.

Each Issuer Share has one vote, the right to received dividend and the right to receive proceeds or property from a dissolution or liquidation of the Issuer. There are no special rights and restrictions attached to the Issuer Shares.

Class A Shares and Class B Shares have the following special rights and restriction: a) the right to receive notice of a shareholders' meeting and attend the meeting but no right to vote at the meeting; b) the right to convert into common shares at a conversion ratio and on a conversion dated prescribed by an acquisition agreement; c) any converted Class A Shares and Class B Shares have to be cancelled and cannot be re-issued. The Issuer has not issued and has no plans of issuing any Class A Shares or Class B Shares.

The Issuer will not issue any Class A or Class B shares without obtaining the prior written consent of the CSE.

The Resulting Issuer has 312,143,477 Issuer-Shares issued and outstanding as fully paid and non-assessable at the date of this Listing Statement which follows completion of the Transaction. In addition, the number of Issuer Shares referred to in the following table are reserved for issuance upon exercise of the incentive stock options ("Stock Options") and outstanding share purchase warrants ("Warrants").

Issuer-Shares reserved for issuance basis at the time of this listing statement:

	Number outstanding	Exercise Price	Expiry Date
Common shares	312,143,477 (3)		
Common shares issuable on exercise:			
Stock Options	545,000	$0.10	October 25, 2019
Stock Options	560,000	$0.10	December 5, 2020
Warrants	11,058,500(1)(3)	$0.10	May 1, 2017(1)
Warrants	1,363,042	$0.10	Jul 25, 2019
Warrants	3,500,000(2)	$0.11	October 16, 2020

(1) As the Issuer's stock has been halted from trading since February 2017 due to the previously proposed transaction and the proposed Acquisition, the expiry date of the warrants has been extended by the number of calendar days the Issuer's shares are halted on the CSE.
(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.
(3) The numbers disclosed are as of the date of this Listing Statement which follows completion of the Transaction.

10.2 Debt securities

The Issuer does not have any debt securities outstanding as at the date of this Listing Statement.

10.4 Other securities

The Issuer is not applying to list any other securities.

10.5 Modification of terms

None of the rights of the Issuer's listed securities have ever been modified or amended.

10.6 Other attributes

Not applicable.

10.7 Prior Sales of Issuer's Securities

On October 3, 2018 the Issuer has issued 391,500 Issuer Shares at $0.10 per share pursuant to the exercise of previously issued warrants.

On March 18, 2019 the Issuer has issued 280,000,000 Issuer Shares at $0.1429 per share pursuant to the Acquisition.

There were no other sales of securities of the Issuer within 12 months prior to the date of this Listing Statement. There are no plans to sell securities of the Issuer to Related Persons.

Prior Sales of ABL's and PTI's Securities

During the last twelve months ABL acquired PTI by way of a share exchange agreement. Both ABL and PTI were under common control. The transaction involved the exchange of 100% equity in PTI for 100% equity in ABL with the shareholders of PTI retaining the same pro rata percentage in the resulting entity as they held in PTI. No value was attached to the transaction. The authorized and issued share capital of PTI is 2,000 common shares at a par value of US$1.00 each.

10.8 Stock Exchange Prices

(a) The Issuer (Nass Valley Gateway Ltd.)

The Issuer's common shares have been listed on the CSE since March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG" as a consequence of the new trading symbol system adopted by the CSE.

Trading of the Issuer Shares was halted on August 18, 2015 after the announcement of the transaction to acquire a private company identified as "Target-A". The Issuer-Shares resumed trading on July 6, 2016 following the cancellation of that transaction.

On February 8, 2017, on the request by the Issuer, the trading of the Issuer Shares was halted again pending news of the signing of the letter of intent to acquire a business controlled by a Danish entrepreneur. That transaction was terminated on March 13, 2018.

The following table provides the price ranges and trading volume of the Issuer Shares for the period of October 1, 2013 to February 8, 2017 (the date the trading of the Issuer Shares was halted):

Period	High ($)	Low ($)	Volume
February 1- February 8, 2017	.06	.06	Nil
January 1 – January 31, 2017	.06	.03	23,000
December 1 – December 31, 2016	.09	.03	61,833
November 1- November 31, 2016	.09	.04	50,250
October 1 – October 31, 2016	.11	.04	17,833

Period	High ($)	Low ($)	Volume
September 1 – September 30, 2016	.11	.06	59,028
August 1 – August 31, 2016	.15	.02	66,700
July 6- July 31, 2016	.10	.02	50,383
September 1, 2015 – July 5, 2016	.33	.33	Nil
August 1 - August 31, 2015	.39	.205	2,085,583
July 1 – July 31, 2015	.215	.05	2,320,999
June 1 – June 30, 2015	.04	.02	181,200
May 1 – May 31, 2015	.065	.02	1,063,000
April 1 – April 30, 2015	.12	.015	2,155,418
March 1 – March 31, 2015	.12	.02	997,333
February 1 – February 28, 2015	.02	.02	Nil
January 1 – January 31, 2015	.07	.02	64,266
December 1 – December 31, 2014	.13	.07	36,301
November 1 – November 30, 2014	.16	.07	350,999
October 1 – October 31, 2014	.085	.02	687,500
September 1 – September 30, 2014	.02	.01	33,666
August 1 - August 31, 2014	.01	.01	642,000
July 1 – July 31, 2014	.015	.01	170,000
June 1 – June 30, 2014	.015	.015	Nil
May 1 – May 31, 2014	.02	.015	23,333
April 1 – April 30, 2014	.025	.02	25,000
March 1 – March 31, 2014	.025	.01	300,000
February 1 – February 28, 2014	.01	.01	333
January 1 – January 31, 2014	.01	.005	151,000
December 1 – December 31, 2013	.03	.005	41,333
November 1 – November 30, 2013	.03	.03	Nil
October 1 – October 31, 2013	.03	.03	2,000

(b) The Issuer's weighted average stock price trading on the CSE Stock Exchange since September 2016 until the stock trades were halted on February 8th 2017, is C$ 0.06 per share.

ABL and PTI are private companies. Their shares never traded on any stock exchange.

11. ESCROWED SECURITIES

After completion of the Transaction the following Shares of the Resulting Issuer have been deposited in escrow:

Name of Securityholder	Designation of Class	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Class	Percentage of Class (Fully Diluted)
Global1 Solutions LLC[1]	Common	130,700,000	41.87%	39.70%
National Brace Inc.[2]	Common	130,700,000	41.87%	39.70%

(1) Global1 Solutions LLC is a private company controlled in equal shares by Greg Vax and Michael Racaniello.

(2) National Brace Inc. a private company controlled in equal shares by Greg Vax and Michael Racaniello.

The Resulting Issuer is expected to be an "emerging issuer" for the purposes of NP 46-201 and, accordingly, the escrowed securities will be released as follows:

On the date the Issuer's securities start trading on the CSE (listing date)	1/10 of the escrow securities
6 months after the listing date	1/6 of the remaining escrow securities
12 months after the listing date	1/5 of the remaining escrow securities
18 months after the listing date	1/4 of the remaining escrow securities
24 months after the listing date	1/3 of the remaining escrow securities
30 months after the listing date	1/2 of the remaining escrow securities
36 months after the listing date	The remaining escrow securities

A holder may exercise any voting rights attached to their escrow securities and receive distributions on the holder's escrow securities. Escrow restricts the ability of holders to deal with their escrow securities while they are in escrow. Except to the extent that the escrow agreement expressly permits, a principal cannot sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with the holder's escrow securities.

The escrow agreement among the Issuer and the persons named in this section dated March 18, 2019 is available on www.sedar.com under the profile of the Issuer.

12. PRINCIPAL SHAREHOLDERS

12.1(a) Principal Shareholders of the Resulting Issuer

After closing of the Transaction, to the knowledge of the directors and senior officers of the Resulting Issuer, the principal shareholders of the Resulting Issuer are:

Name	Number of Total Securities Beneficially Owned Directly or Indirectly	Percentage of Total Securities Beneficially Owned Directly or Indirectly	Percentage of Total Securities Beneficially Owned Directly or Indirectly Fully Diluted
Global 1 SolutionsLLC[1]	130,700,000	41.87%	39.70%
National Brace Inc. [2]	130,700,000	41.87%	39.70%
Total	261,400,000	83.74 %	79.40%

Notes:
(1) Global1 Solutions LLC is a private company controlled in equal shares by Greg Vax and Michael Racaniello.
(2) National Brace Inc. is a private company controlled in equal shares by Greg Vax and Michael Racaniello.

13. DIRECTORS AND OFFICERS

13.1 Directors and Officers

The following table lists the names, municipalities of residence, position, principal occupations and the number of "voting securities" that each of the directors and executive officers of the Resulting Issuer beneficially owns directly or indirectly, or exercises voting control of the Resulting Issuer on date of the completion of the Transaction.

Name and Municipality of Residence	Position with the Issuer	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly	Percentage of Shares Beneficially Owned Directly or Indirectly
Dieter Peter(1) Vancouver British Columbia.	Chairman and a Director of Resulting Issuer	Founded the Issuer on 25th of October 2005 and has been President, Director and CEO since that time. He also presides the following private and public companies: 1.President of Merfin Management Limited, a private investment company which also provides administrative and corporate services to public companies, since May 1981. 2.President and CEO of Mineral Hill Industries Ltd., a TSX-V listed company, presently in the oil & gas business since March 24, 2005; and 3. President & CEO of The Eelleet Network Corp., a non- listed reporting issuer since March 2012.	14,367,000	4.60%
John Affenita Bayport, NY	CEO and a Director of Resulting Issuer	CEO of Pro-Thotics Technologies Inc. from 2000 to present	Nil	0%
Dr. Samuel Alawieh Livonia, Michigan	COO and a Director of Resulting Issuer	CEO of ABL since Feb. 2018 and CEO of RXNB Ltd, a full vertical life sciences company since 2013 to present	Nil	0%
Michael Semler West Palm Beach, Florida	CFO of Resulting Issuer	CFO of ABL and PTI; self-employed financial consultant from 2016-2018; CFO of Cause Capital Inc, a marketing company for healthcare brands from 2011 to 2016; Senior Vice President for Momentum Worldwide, a marketing company, until 2011	Nil	0%

Name and Municipality of Residence	Position with the Issuer	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly	Percentage of Shares Beneficially Owned Directly or Indirectly
Andrew von Kursell[)] Surrey British Columbia.	Director of Resulting Issuer	Joined the Issuer on June, 2008 and is also Director of Mineral Hill Industries Ltd since May, 2005; Director of The Eelleet Network Corp., a non- listed reporting issuer, since March, 2012	Nil	0%
Eric Peter-Kaiser Calabasas, CA,	Corporate Secretary and a Director of Resulting Issuer	Joined the Issuer on April 24th,2015 and is also Director, Mineral Hill Industries Ltd since November 27, 2014; Director, The Eelleet Network Corp., a non- listed reporting issuer, since March 20, 2015.	25,000	0.01%
Milo Filgas Delta, British Columbia	Director of Resulting Issuer	Joined the Issuer in October 2015 and is also Director of Mineral Hill Industries Ltd since November 2014; Director of The Eelleet Network Corp., a non-listed reporting issuer since March 2017	Nil	Nil

NOTES: [1)] Dieter Peter holds 2,472,167 shares directly, and 11,894,833 shares indirectly through Merfin Management Limited which is a private holding company, controlled equally by two trusts, whose trustees are Dieter Peter and Vera Kaiser.

13.2 Terms of Office

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until a successor is duly elected.

13.3 Number of Securities Owned or Controlled, Directly or Indirectly, by Directors and Officers

Directors and Officers of Resulting Issuer

Upon completion of the Transaction all directors and officers of the Resulting Issuer hold an aggregate of 14,392,000 Issuer Shares representing 4.61% of the issued and outstanding shares on an undiluted basis.

Group Control of Resulting Issuer	Number Common Shares of Resulting Issuer	Percentage of Common Shares of Resulting Issuer
Under voting control of Resulting Issuer's Directors and Executive Officers	**14,392,000**[(1)]	**4.61%**[(1)]

NOTES:

(1) The group control includes Dieter Peter with 2,472,167 shares held directly,11,894,833 shares held indirectly through Merfin Management Limited which is a private holding company, controlled equally by two trusts, whose trustees are Dieter Peter and Vera Kaiser, respectively and Eric Peter-Kaiser with 25,000 shares.

13.4 Board Committees

Upon completion of the Transaction the Resulting Issuer has the Audit Committee, which consists of the following directors:

Andrew von Kursell, Chairman
Eric Peter-Kaiser
Milo Filgas

The Resulting Issuer has no other committees.

Presently, the entire board of directors performs the functions of the Corporate Governance and Human Resources, Safety and Environment, Investment and Development committees.

13.5 Principal Business of other Companies or Persons where Directors are Officers or Directors

Please see section 13.11 of this Listing Statement.

13.6 Cease Trade or Similar Orders, Bankruptcy or Insolvency

No director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;
(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7 Penalties or Sanctions

No director, officer or shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Settlement Agreements

There are no settlement agreements in existence neither on behalf of the Issuer nor the Target.

13.9 Personal Bankruptcies

No director, officer or shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer or personal holding company has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

13.10 Conflicts of Interest

Other than disclosed in the following paragraph, there are no existing or potential material conflicts of interest between the Resulting Issuer or a subsidiary of the Resulting Issuer and a director or officer of the Resulting Issuer or a subsidiary of the Resulting Issuer.

The directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as directors or officers of such other companies in the future. If such conflicts arise, they will be dealt with in accordance with the applicable corporate and securities laws. For further discussion about conflicts of interest, please see "Conflicts of Interest" under section 17 Risk Factors".

13.11 Directors and Officers and Management of the Resulting Issuer

The following sets out the details with respect to the Resulting Issuer's management following approval of the RTO and completion of the Transaction:

Dieter Peter	Age 77, Chairman of the Board and Director. Mr. Peter has been involved as founder and principal in resource exploration and production companies which have been listed on the Vancouver, Toronto, Montreal, London and Frankfurt Stock Exchanges. Mr. Peter has a proven record of establishing manufacturing and production facilities and leading teams from grassroots ventures to millions of dollars in sales of manufactured goods in private and public companies he founded and listed on the TSX-V. Between the years 1985 to 2003, he founded and established Merfin Hygienic Products Ltd ("MHP") and Concert Industries Ltd. ("CIL") in British Columbia, Concert Fabrication Ltèe in Quebec, Concert ACI in South Carolina, Concert GmbH and, Advanced Air-laid Technologies Inc. in Germany, ICAN Resources Ltd., all manufacturing companies for personal hygiene products and IMPACT Minerals Ltd., a mining exploration company in British Columbia of which MHP and CIL became member companies of the TSE 300 Index companies and subsequently subjects of takeovers. Through his entrepreneurship in Canada Mr. Peter created close to one thousand sustainable jobs internationally. In the year 2000 Mr. Peter received the Ernst & Young "Entrepreneur of the Year" award for the category "manufacturing". In 2005 he reorganized Mineral Hill Industries Ltd., a TSX-V company in the oil and gas business and became its CEO/Director. In 2005, Mr. Peter founded the Issuer and has been its President and Director since that time. In 2012 he facilitated the spin-off of its mineral properties from Nass Valley Gateway into The Eelleet Network Corp. (formally Kirkland Precious Metals Corp.) and has been its President, CEO and Director since then. The Eelleet Network Corp. was in the exploration business, and is currently looking to acquire a business or an asset. As Chairman and Director, of the Resulting Issuer, Mr. Peter will devote his experience to the affairs of the Resulting Issuer. He has presently no non-disclosure or non-competitive agreement with the Issuer as non-

disclosure is considered part of a director's fiduciary duties. Mr. Peter will devote on average of 30 hours per week to the Resulting Issuer. He is an independent contractor.

John Affenita Age 49 - Chief Executive Officer and Director

Mr. Affenita is also the Chief Executive Officer and a director of PTI, positions he has held since 2000.

Mr. Affenita is the founder of ProThotics Technology, Inc. He is an ABC (American Board of Certification) Orthotist and Prosthetist ("O&P"). member, serving the O&P field for 20 years. Mr. Affenita will devote 100% of his time to the Resulting Issuer. He has presently no non-disclosure or non-competitive agreement with the Issuer or the Resulting Issuer. He is an independent contractor.

Dr. Samuel Alawieh Age 35 - Chief Operating Officer and Director

Dr. Alawieh is also currently the Chief Executive Officer and a director of ABL, positions he has held since February 1, 2018. He has been the Chief Executive Officer and founder of RXNB Ltd., a full vertical life sciences company offering manufacturing and distribution of dietary supplements and specialty pharmacy franchising and product liability insurance coverage. He has held the position of CEO since November 2013 and upon the completion of the Transaction became the Chief Operating Officer of the Resulting Issuer.

Dr. Alawieh, who did undergraduate studies in botany, biochemistry and physics prior to receiving his Doctor of Pharmacology at the age of 22 is a highly respected scientist with significant experience in many aspects of CBD and cannabis.

Dr. Samuel Alawieh is at the forefront of research and development into CBD and related products.

Dr. Alawieh has developed extraction methods that make CBD production cost effective. Dr. Alawieh has developed a full line of proprietary CBD products. He plans to devote 50% of his time to the Resulting Issuer. He has presently no non-disclosure or non-competitive agreement with the Issuer or the Resulting Issuer. He is an independent contractor.

Michael Semler Age 57 - Chief Financial Officer.

Mr. Semler has been the CFO of ABL since February 1, 2018. Mr. Semler has been in the healthcare and wellness business for the last 10 years. He has driven all the capital fundraising for PTI and its affiliates and maintains all financial relationships with banking, private equity, and investor partners. Along with his partners on the executive management team and accounting team Mr. Semler leads the strategic financial direction of the company.

Mr. Semler has been a self-employed financial consultant from 2016 to 2018. Prior to PTI, from February 2011 to June 2016,he was CFO of Cause Capital Inc, who produced marketing and advertising solutions for major healthcare brands. He was Senior Vice President from March 2008 to February 2011 at Momentum Worldwide, an IPG marketing company and led the healthcare division, working in both their Madrid and New York offices until 2011. He graduated from ITHACA College with a Bachelor of Arts in 2002.

Mr. Semler plans to devote 25% of his time to the Resulting Issuer and once the ABL business has been developed he will join, the Resulting Issuer on a fulltime basis. Mr. Semler has presently no non-disclosure or non-competitive agreement with the Issuer or the Resulting Issuer. He is an independent contractor of the Resulting Issuer.

Eric Peter-Kaiser

Age 38, Corporate Secretary and Director

Mr. Peter-Kaiser possesses a Bachelor of Science degree in Business Administration and has over 12 years of experience working in the film industry. After receiving a hockey scholarship to the State University of New York, Potsdam, he moved to Los Angles to pursue his career in the entertainment industry. Since then, Mr. Peter-Kaiser produced numerous feature films and has extensive experience in film production, finance, development, marketing, distribution, branded content, and new media. All projects under his supervision were completed within budget. His strengths lie in the analysis, research and financial administration of potential projects which led him to join public companies below first as consultant, then as assistant to the CEO and subsequently being elected director and member of audit committees.

Mr. Peter-Kaiser has also the following board positions:

- Mineral Hill Industries Ltd., a TSX-V listed company in the oil & gas business , elected Director in 2014
- The Eelleet Network Corp., reporting non-listed company, originally in the mineral exploration business and currently looking to acquire a business or an asset, elected Director in 2015
- Merfin Management Limited, a private holding and investment company, elected August 2016 as Director and Vice President of Corporate Development

From 2011 to 2016 The Elite Network, Los Angeles, CA, USA, *Production / Development*
Mr. Peter-Kaiser provided consulting regarding financing models to producers, writers and directors and acquired content. He assisted in corporate development, structure and design to launch new digital media websites and evaluated potential budgets and content for new desired projects and produced marketing segments.

From 2006 to 2011 Island Gateway Films, a film production company, Los Angeles, CA, United States
Mr. Peter-Kaiser was a director of this company and successfully produced four feature films, two as executive producer and two as lead producer. He was responsible for analyzing market opportunities and trends for production and distribution.

He plans to devote on average 10 hours per week to the Resulting Issuer. He has presently no non-disclosure or non-competitive agreement with the Issuer or the Resulting Issuer and is an independent contractor.

Andrew von Kursell

Age 82 – Director

Mr. von Kursell is an experienced senior mining executive, who has proven success in the initiation, negotiation, planning and operation of major projects domestically and abroad. Besides his hands-on operations experience, Mr. von Kursell has gained extensive knowledge of regulatory agencies and in dealing with investors and financial institutions. As CEO, President of Sirius Resource Corporation from 1987 to 1989 and subsequently of Anthian Resource Corporation, both mineral exploration companies, from 1997 to 2001 and then consultant for various public and private companies from 1987 to present, Mr. von Kursell has had much success in establishing and maintaining good working relationships with trade unions, miners and governments at all levels in North and South America via his many meetings and interactions with government, trade unions and business establishments, as well as leaders of indigenous groups.

He is a director of Mineral Hill Industries Ltd., a TSX-V listed company in the oil & gas business since May, 2005. He is also a director of The Eelleet Network Corp., a reporting non-listed company, originally in the mineral exploration business and currently looking to acquire a business or an asset, since March, 2012.

Through his work in the Americas as well as China and Africa, particularly in Peru, Chile, Ecuador and Bolivia, von Kursell has gained extensive experience in dealing with people in a variety of positions in governments and stakeholders in a fair, equitable and non-confrontational manner, thus usually achieving the desired result.

Mr. Von Kursell plans to devote on average eight hours per week , or more if required, to the Resulting Issuer. He has presently no non-disclosure or non-competitive agreement with the Issuer or the Resulting Issuer. He is an independent contractor.

Milo Filgas

Age 88 – Director

Mr. Filgas is a Marine Engineer and is the owner and President of R.F.Fry & Associates (Pacific) Ltd. He has over 55 years of experience in the mining and milling industries in Canada. Between 1955 and 1960 he was working for Cuyor Athabusce in Uranium City in northern Saskatchewan and between 1964 and 1970 for Echo Bay Mines in the NW Territories mostly in mine development and operations, in charge of the electrical and mechanical maintenance departments.

The remote location of these mines required a thorough knowledge of the equipment in order to supervise in house repairs when needed. Equally important was the need for a thorough understanding of Canadian mining and Labour Laws in order to avoid labour strikes and/or unintentional infraction of the Mining Code and union relations.

In the late 1970s Mr. Filgas became the President and owner of R.F.Fry and Associates (Pacific) Ltd., a contracting company specializing in underground mining and shaft sinking as well as contract mill operations and developed considerable knowledge in project quotations and budget projection and oversight.

Since November 2014 Mr. Filgas has been a director of Mineral Hill

Industries Ltd., a public company in the oil and gas business listed on the TSX Venture Exchange. Since March 2017 he also has been a director of The Eelleet Network Corp., a reporting non-listed company, originally in the mineral exploration business and currently looking to acquire a business.

Mr. Filgas has been an independent director and a member of the audit committee of the Issuer since October 2015.

He plans to devote on average four hours per week , or more if required, to the Resulting Issuer. Mr. Filgas has presently no non-disclosure or non-competition agreement with the Issuer or the Resulting Issuer. He is an independent contractor.

13.12 Management of Resulting Issuer's subsidiaries ABL and PTI

Each ABL and PTI have three (3) directors managing these companies.
The directors of ABL are: Dr Samuel Alawieh, Gregory Vax and Michael Racaniello.
The directors of PTI are: John Affenita, Gregory Vax and Michael Racaniello

14. CAPITALIZATION

14.1 Share Capital of Resulting Issuer

The following table sets forth the number of the common shares available on a non-diluted and diluted basis post Transaction.

Public Float	Number of Securities[1](non-diluted)	Number of Securities (fully-diluted)	% of Shares Issued (non-diluted)	% of Shares Issued (fully-diluted)
(A) Total outstanding	**312,143,477**	**329,170,019**	**100%**	**100%**
(B) Held by Related Persons or employees of the Issuer or Related Person of the Resulting Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held).	275,792,000	287,338,542	88.35%	87.29%
Total Public Float (A minus B)	**36,351,477**	**41,831,477**	**11.65%**	**12.71%**
(C) Freely-Tradeable Float Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders.	280,000,000	280,000,000	89.70%	85.06%
Total Tradeable Float (A minus C)	**32,143,477**	**49,170,019**	**10.30%**	**14.94%**

Public Securityholders (Registered)

Class of Security	Common Shares	Common Shares
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	7	231
100 – 499 securities	4	1,332
500 – 999 securities	185	92,500
1,000 – 1,999 securities	12	13,666
2,000 – 2,999 securities	5	10,500
3,000 – 3,999 securities	4	13,332
4,000 – 4,999 securities	4	17,512
5,000 or more securities	34	13,580,518
Total	**255**	**13,729,591**

Public Securityholders (Beneficial)

Class of Security	Common Shares	Common Shares
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	1	6
100 – 499 securities	4	1,098
500 – 999 securities	13	7,714
1,000 – 1,999 securities	8	8,199
2,000 – 2,999 securities	6	13,750
3,000 – 3,999 securities	1	3,333
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	49	17,951,584
Unable to confirm (1)	?	428,202
Total	**82**	**18,413,886**

(1) The number set forth represents the number of shares that couldn't be confirmed after receiving the share range report from Broadridge.

Non-Public Securityholders (Registered)

Class of Security	Common Shares	Common Shares
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0

3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	280,000,000
Total	**4**	**280,000,000**

14.2 Convertible/Exchangeable Securities

The following table provides the particulars of the convertible securities of the Resulting Issuer upon completion of the Transaction.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options Exercise price - $0.10 Expiry date October 25, 2019	545,000	545,000
Options Exercise price - $0.10 Expiry date December 5, 2020	560,000	560,000
Warrants Exercise price - $0.10 Expiry date May 1, 2017[(1)]	11,058,500	11,058,500
Warrants Exercise price - $0.10 Expiry date July 25, 2019	1,363,042	1,363,042
Warrants Exercise price - $0.11 Expiry date October 16, 2020	3,500,000	3,500,000

(1) On April 28, 2017, Warrants issued on May 1, 2012, were extended a length of time equal to the trading halt.

14.3 Other Listed Securities

There are no listed securities reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

15.1 The Issuer's Form 51-102F6V – Statement of Executive Compensation for the year ended December 31, 2017 is attached to this Listing Statement as Exhibit "A3".

Upon the completion of the Transaction, the Resulting Issuer plans to make the following changes to the compensation disclosed in the attached 51-102F6V.

The Resulting Issuer has Dieter Peter, Chairman of the Board, John Affenita, CEO, Dr. Samuel Alawieh, COO and Michael Semler, CFO as Named Executive Officers.

Mr. Peter's compensation, together with Director compensation, will be determined by the Resulting Issuer's Board of Directors in due course.

Upon the completion of the Transaction, Mr. John Affenita holds the position of Chief Executive Officer. He will receive an annual salary of US$ 240,000 and will be entitled to receive stock options determined by the Resulting Issuer's board of directors from time to time.

Upon the completion of the Transaction, Dr. Samuel Alawieh and the Resulting Issuer will enter into an employment agreement for the position of Chief Operating Officer. His annual salary is expected to be US$120,000, and he will be entitled to receive stock options determined by the Resulting Issuer's Board of Directors from time to time.

Upon completion of the Transaction, Mr. Michael Semler was appointed Chief Financial Officer with an annual salary of US$50,000. He will also be entitled to receive stock options determined by the Resulting Issuer's Board of Directors from time to time.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Resulting Issuer, proposed nominee for election as a director of the Resulting Issuer, or an associate of any such director, executive officer or proposed nominee is currently or during the previously completed financial year has been:

(a) indebted to the Resulting Issuer or any of its subsidiaries;

(b) subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries; and

(c) indebted for security purchase programs or any other programs.

17. RISK FACTORS

An investment in the securities of the Issuer is speculative and subject to risks and uncertainties. In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors have identified the risks described below, which could potentially have an adverse effect on the Resulting Issuer.

It should be noted that the risks described below are not the only risks faced by the Resulting Issuer and that the Resulting Issuer's business will be subject to numerous risks. The Resulting Issuer cautions that the following important factors, among others, could cause the Resulting Issuer's actual results to differ materially from those expressed in forward-looking statements made by the Resulting Issuer or on the Resulting Issuer's behalf in public filings, including this Listing Statement, press releases, communications with investors and oral statements. Any or all of the Resulting Issuer's forward-looking statements in this and in any other public statements the Resulting Issuer makes may turn out to be wrong. They can be affected by inaccurate assumptions the Resulting Issuer might make or by known or unknown risks and uncertainties which include obtaining the Regulatory Approval for the Acquisition. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those anticipated in forward-looking statements.

As the Issuer has acquired ABL and PTI (each a "Portfolio Issuer" and collectively the "Portfolio Companies") with ABL operating in the Hemp based cannabidiol industry, the Resulting Issuer is subject to certain risk factors which could affect the business, prospects, financial position, financial condition or operating results of the Resulting Issuer as a result of the Acquisition.

Risks Related to the Regulatory Environment in Relation to the Business of ABL in the U.S.

Cannabidiol is Not an Approved Drug or Medicine

CBD is not an approved therapeutic product by Health Canada and nor by the FDA in the United States of America.

Risks Specifically Related to the United States ('US") Regulatory System

Federal law passed in December 2018 has specifically provided that Hemp fiber, sterilized seed and seed oil are *exempt* from the definition of "marihuana" and are thus *not* controlled substances under the Controlled Substances Act ("CSA"), if and only if that Hemp is produced in a manner consistent with the 2018 Farm Bill, associated federal regulations, associated state regulations, and by a licensed grower. All other cannabinoids, produced in any other setting, remain a Schedule I substance under federal law and are thus illegal. (The one exception is pharmaceutical-grade CBD products that have been approved by FDA, which currently includes one drug: GW Pharmaceutical's Epidiolex.).

Concerns exist among law enforcement agencies that cannabis plants used to derive marijuana will be comingled with hemp plants.

The Resulting Issuer through ABL will operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer and, therefore, on the Resulting Issuer's prospective returns. Further, the Resulting Issuer may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The hemp industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Resulting Issuer and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Resulting Issuer's earnings and could make future capital investments or the Resulting Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

In case of non-compliance with the strict requirements of the 2018 Farm Bill, the Resulting Issuer may be deemed involved in the cannabis industry in the US where local and state laws permit such activities or provide limited defenses to criminal prosecutions. The enforcement of relevant laws is a significant risk.

Most of the states in the US have enacted comprehensive legislation to regulate the sale and use of medical cannabis.

While the 2018 Farm Bill removes Hemp derived products from Schedule 1 status under the CSA. the legislation does not legalize cannabis generally. Cannabis continues to be categorized as a Schedule 1 controlled substance under the CSA. Therefore, unless in strict compliance with the 2018 Farm Bill, cannabis-related activities such as cultivation, manufacture, importation, possession, use or distribution of cannabis, are illegal under US federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Resulting Issuer or ABL of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Resulting Issuer. Any such proceedings brought against the Resulting Issuer may adversely affect the Resulting Issuer's operations and financial performance.

Because of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in hemp businesses in the United States are subject to inconsistent legislation, regulation, and enforcement. Unless and until the United States Congress amends the United States Controlled Substances Act with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which would adversely affect the current and future business of the Resulting Issuer in the United States. As a result of the tension between state and federal law, there could be a number of risks associated with the Resulting Issuer's future business in the United States.

Additionally, there can be no assurance that state laws within the US legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it extremely difficult or impossible to transact business in the cannabis industry. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect the Resulting Issuer and its business.

Violations of any United States federal laws and regulations as they relate to the 2018 Farm Bill could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Resulting Issuer to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Risks Associated with Numerous Laws and Regulations

The production, labeling and distribution of the products that the resulting Issuer plans to distribute are regulated by various federal, state and local agencies. These governmental authorities may commence regulatory or legal proceedings, which could restrict the permissible scope of the Resulting Issuer's product claims or the ability to sell its products in the future. The FDA will regulate the Resulting Issuer's products to ensure that the products are not adulterated or misbranded.

The Resulting Issuer will be subject to regulation by the DEA and other agencies as a result of the manufacture and sale of its CBD products. The shifting compliance environment and the need to build and maintain robust systems to comply with different regulations in multiple jurisdictions increases the possibility that the Resulting Issuer may violate one or more of the requirements. If the Resulting Issuer's operations are found to be in violation of any of such laws or any other governmental regulations, or perceived to be in violation, the Resulting Issuer may be subject to penalties or other negative effects, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures and the denial of regulatory applications (including those regulatory regimes outside of the scope of DEA and FDA jurisdiction, but which may rely on the positions of the DEA and FDA in the application of their respective regimes), any of which could adversely affect the Resulting Issuer's' business and financial results.

Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions. The Resulting Issuer's advertising is subject to regulation by the Federal Trade Commission ("**FTC**") under the Federal Trade Commission Act as well as subject to regulation by the FDA under the Dietary Supplement Health and Education Act. In recent years, the FTC has initiated numerous investigations of dietary and nutritional supplement products and companies based on allegedly deceptive or misleading claims. At any point, enforcement strategies of a given agency can change as a result of other litigation in the space or changes in political landscapes, and could result in increased enforcement efforts, which would materially impact the Resulting Issuer's business. Additionally, some states also permit advertising and labeling laws to be enforced by state attorney generals, who may seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Resulting Issuer. Private litigations may also seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Resulting Issuer. Any actions against the Resulting Issuer by governmental authorities or private litigants could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

State-Imposed Restrictions Regarding the Production of Hemp and Sale of CBD

The 2018 Farm Bill removed Hemp from the CSA. The 2018 Farm Bill also precludes each state from prohibiting the transportation or shipment of Hemp or Hemp products (produced in accordance with the 2018 Farm Bill) through its borders. In addition, the 2018 Farm Bill makes the United States Department of Agriculture ("**USDA**") the primary federal agency charged with regulating Hemp production, and the USDA is in the process of promulgating federal regulations. However, the 2018 Farm Bill also allows states, United States territories, and Indian tribes to have primary regulatory authority over the production of hemp. States, territories, and tribes desiring such primary regulatory authority must submit and receive approval for their plans ("**Local Plans**"), which must meet minimum federal standards. Absent USDA regulations to the contrary, such Local Plans may impose regulations that are more stringent than federal regulations, including regulations that prohibit or significantly restrict the production or sale of Hemp and Hemp products within the jurisdiction of the Local Plan. Accordingly, the production and sale of Hemp and Hemp products may be limited or restricted in some states.

To date, the vast majority of states have passed legislation related to industrial hemp, and at least forty-one (41) states allow hemp cultivation and production programs. However, state approaches to regulation vary and some states have limited programs or restrictions on certain activity. For example, some states prohibit the sale of CBD products outside of marijuana businesses, while other states prohibit the sale of Hemp-derived CBD products altogether. Other states have laws that criminalize all parts of the cannabis plant (including "hemp," as defined under the 2018 Farm Bill) or significantly limit activity related to the cannabis plant (including "hemp," as defined under the 2018 Farm Bill). A number of state laws and regulations, including in major markets such as California, New York, and Ohio, currently contain restrictions limiting the types of Hemp-derived products that may be sold and where such products may be sold. Accordingly, this patchwork of state laws may, for the foreseeable future, materially impact the Resulting Issuer's business and financial condition, limit the accessibility of certain state markets, cause confusion amongst regulators, and increase legal and compliance costs.

Continued Applicability of the 2014 Farm Bill Pending the Implementation of the 2018 Farm Bill

The 2014 Farm Bill will remain in effect until one (1) year after the USDA establishes regulations implementing the federal plans pursuant to the 2018 Farm Bill, at which point the 2014 Farm Bill will be repealed. The 2014 Farm Bill permits cultivation of hemp for research purposes (inclusive of market research) pursuant to state agricultural programs but leaves significant discretion to states as to how to implement such programs. In addition, the DEA, FDA and USDA have taken the position, as set forth in the Statement of Principles, that under the 2014 Farm Bill (i) industrial hemp products may be sold "for purposes of marketing research...but not for the purpose of general commercial activity and (ii) such products may only be sold within or among states with agricultural pilot programs that allow such activity, but not in states where such sales are prohibited. The Statement of Principles is widely disputed as invalid by many, including members of Congress, on the grounds that it exceeds DEA's authority and contravenes the intent of the 2014 Farm Bill. Moreover, to date, the Statement of Principles has only been minimally enforced.

The DEA may continue to assert authority over Hemp and Hemp products until the 2014 Farm Bill is repealed, notwithstanding the passage of the 2018 Farm Bill (which permits the commercial sale of Hemp and Hemp products produced in accordance with the 2018 Farm Bill and precludes states from prohibiting any interstate transportation or shipment of the same).

Uncertainty Caused by Potential Changes to Regulatory Framework

There is substantial uncertainty and different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses as to the importation of derivatives from the Cannabis plant and the scope of 2018 Farm Bill-compliant hemp production relative to the CSA, the 2018 Farm Bill and the emerging regulation of cannabinoids. These different opinions include, but are not limited to, the regulation of cannabinoids by the DEA and or the FDA and the extent to which manufacturers of products containing imported raw materials and/or 2018 Farm Bill-compliant cultivators and processors may engage in interstate commerce. The uncertainties cannot be resolved without further federal, and perhaps even state-level, legislation, regulation or a definitive judicial interpretation of existing legislation and rules. If these uncertainties continue, they may have an adverse effect upon the introduction of the Issuer's products in different markets.

New Dietary Ingredient ("NDI") Objection by FDA

There is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether cannabinoids were present in the food supply and marketed prior to October 15, 1994, or whether such inclusion of cannabinoids is otherwise approved by the FDA as dietary ingredients. In addition, there is substantial uncertainty and different interpretations as to whether cannabinoids are by definition an impermissible adulterant due to marijuana being a controlled substance under the CSA. The uncertainties cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules. A determination that hemp products containing cannabinoids were not present in the food supply, marketed prior to October 15, 1994, are not otherwise permissible for use as a dietary ingredient or are adulterants would have a materially adverse effect upon the Resulting Issuer and its business. The Resulting Issuer could be required to submit a 'NDI notification to the FDA with respect to hemp extracts. If FDA objects to the Resulting Issuer's NDI notification, this would have a materially adverse effect upon the Resulting Issuer and its business.

FDA Interpretation of IND Preclusion

The FDA has taken the position that CBD cannot be marketed as a dietary supplement because it has been the subject of investigation as a new drug (previously defined as "IND Preclusion"). There is evidence that GW Pharmaceuticals plc received authorization for its IND related to CBD in 2006. It is the FDA's interpretation of the IND Preclusion that the preclusion date is the date in which it authorized the drug for investigation. If the FDA were to enforce the IND Preclusion based on its interpretation of the legislation, this would materially and adversely impact the Resulting Issuer's business and financial condition.

Regulatory Approval and Permits

The Resulting Issuer may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are expected to be licensed. There can be no assurance that the Resulting Issuer will be able to obtain or maintain any necessary licenses, permits or approvals. Moreover, the Resulting Issuer and/or third-party suppliers of CBD hemp oil products could be required to obtain a CSA permit, which would likely not be a feasible option for retail products. Any material delay or inability to receive these items is likely to delay and/or inhibit the Resulting Issuer's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

DEA Jurisdiction Over Hemp Extracts or CBD

DEA representatives have taken the position that CBD is subject to the CSA and classified as a controlled substance thereunder. While the Resulting Issuer cannot be certain of the basis of such position, given that compliance with the 2018 Farm Bill exempts a licensed producer from the purview of the CSA and the FDCA, the Issuer suspects the DEA is concerned that industry CBD products and not in fact Hemp-based. If the DEA takes action against the Resulting Issuer or the CBD industry, this could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations including the cessation of operations entirely.

Environmental, Health and Safety Laws

The Resulting Issuer is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Resulting Issuer operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Resulting Issuer's employees. The Resulting Issuer may be required to obtain environmental permits from governmental authorities for certain of its proposed operations. The Resulting Issuer may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Resulting Issuer violates or fails to comply with these laws, regulations or permits, the Resulting Issuer could be fined or otherwise sanctioned by regulators.

Anti-money Laundering Laws and Regulations

The Issuer is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the Criminal Code (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("FCEN") of the U.S. Department of the Treasury issued a memorandum providing instructions to banks seeking to provide services to marijuana related businesses (the "FCEN Memo"). The FCEN Memo states that in some circumstances, it may not be appropriate to prosecute banks that provide services to marijuana-related businesses for violations of federal money laundering laws. It refers to supplementary guidance that former Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo. Under U.S. federal law, banks or other financial institutions that provide a cannabis-related business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy. While this risk would appear to be diminished because Hemp related activities that are in compliance with the 2018 Farm Bill are not in violation of the CSA, there is no certainty that such is the case.

If any of the Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States or Canada were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Resulting Issuer has no current intention to declare or pay dividends on Issuer Shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Banking

Since the production and possession of cannabis is currently illegal under U.S. federal law, even though the Resulting Issuer is in strict compliance with the 2018 Farm Bill, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the cannabis industry in the U.S. The inability to open bank accounts with certain institutions could materially and adversely affect the business of the Resulting Issuer.

Denial of Deductibility of Certain Expenses

The Resulting Issuer may incur significant tax liabilities if the IRS continues to determine that certain expenses of businesses working with the cannabis plant are not permitted tax deductions under section 280E of the Code.

Section 280E of the Code prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has invoked Section 280E in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Therefore, a minor non-compliance with the 2018 Farm Bill and associated regulations could result in the Resulting Issuer's inability to deduct certain expenses and significant tax liabilities.

Liability for Actions of Employees, Contractors and Consultants

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Resulting Issuer.

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) U.S. federal fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting

Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Resulting Issuer's operations or asset seizures, any of which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Change in Laws, Regulations and Guidelines

Each Resulting Issuer's current and proposed operations are subject to a variety of laws, regulations and guidelines, including, but not limited to, those relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to health and safety (including those for consumable products), the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Resulting Issuer, the Resulting Issuer may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Resulting Issuer's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Resulting Issuer's business plan and result in a material adverse effect on certain aspects of its planned operations.

Changes in regulations, more vigorous enforcement thereof, the imposition of restrictions on the Resulting Issuer's ability to operate in the US as a result of the federally illegal nature of cannabis in the US (unless in strict compliance with the 2018 Farm Bill) or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

While management believes that the Resulting Issuer will be able to obtain all licenses, permits, authorizations and approvals necessary to conduct its business and that the Resulting Issuer is properly operating within all applicable regulatory regimes, there can be no assurance that these beliefs are accurate or that laws or regulatory regimes will not be changed in a manner that would adversely impact the Resulting Issuer, including by requiring it to obtain certain licenses, permits, authorizations or approvals or requiring it to operate subject to a regulatory regime.

Risks Related to the Regulatory Environment in Canada in Relation to the Business of ABL

Risks Related to the Ability to Trade Securities in Canada

For the reasons set forth above, the Resulting Issuer's existing interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported by certain publications in Canada that the Canadian Depository for Securities Limited may implement policies that would see its subsidiary, CDS Clearing and Depository Services Inc. ("CDS"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators ("CSA ") and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("TMX MOU ") with Aequitas NEO Exchange Inc., the CSE, the

Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers possible cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there would be no CDS ban on the clearing of securities of issuers with possible cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of the Issuer Shares to make and settle trades. In particular, the Issuer Shares would become highly illiquid within the US as until an alternative was implemented, investors would have no ability to affect a trade of the issuer Shares through the facilities of a stock exchange.

Shareholders and potential investors are cautioned that:

- The activities of the Resulting Issuer are subject to evolving regulation that is subject to changes by governmental authorities in Canada and the US; and
- Although the TMX MOU confirms that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future.

Risks Associated from Additional Scrutiny by Canadian Regulators

For the reasons set forth above, the Resulting Issuer's business in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability operate in the United States.

Increased scrutiny by the Canadian regulators is likely to increase the cost of compliance and may adversely affect the profitability of the business of the Resulting Issuer.

Risks Related to the Business, Operations and Securities of the Resulting Issuer

Regulatory Risks

The Resulting Issuer will operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Portfolio Companies and, therefore, on the Resulting Issuer's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Resulting Issuer and its Portfolio Companies and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Issuer's earnings and could make future capital investments or the Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Product Viability

If the products the Issuer sells are not perceived to have the effects intended by the end user, its business may suffer. In general, the Issuer's products will contain hemp extract and other ingredients which are classified in the United States as dietary supplements. Many of the Issuer's products will contain innovative ingredients or combinations of ingredients. There is little long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry. Moreover, there is little long-term data with respect to efficacy, unknown side effects and/or its interaction with individual animal biochemistry. As a result, the Issuer's products could have certain side effects if not taken as directed or if taken by an end user that has certain known or unknown medical conditions.

Success of Quality Control Systems

The quality and safety of the Resulting Issuer's products are critical to the success of its business and operations. As such, it is imperative that the Resulting Issuer's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Recall of products could lead to adverse publicity, decreased demand for the Resulting Issuer's products and could have significant reputational and brand damage. There can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for the Resulting Issuer's products and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer. Additionally, product recalls may lead to increased scrutiny of the Resulting Issuer's operations by regulatory agencies, requiring further management attention and potential legal, consultant and expert fees and other expenses.

Positive Test for THC or Banned Substances

The Resulting Issuer's products will be made from CBD extracted from Hemp in accordance with the 2018 Farm Bill. Hemp contains THC. As a result, certain products of the Resulting Issuer will contain low levels of THC. THC is considered a banned substance in many jurisdictions. Moreover, regulatory framework for legal amounts of consumed THC is evolving. Whether or not ingestion of THC (at low levels or otherwise) is permitted in a particular jurisdiction, there may be adverse consequences to end users who test positive for trace amounts of THC attributed to use of the Resulting Issuer's products. In addition, certain metabolic processes in the body may cause certain molecules to convert to other molecules which may negatively affect the results of drug tests. Positive tests may adversely affect the end user's reputation, ability to obtain or retain employment and participation in certain athletic or other activities. A claim or regulatory action against the Resulting Issuer based on such positive test results could adversely affect the Resulting Issuer's reputation and could have a material adverse effect on its business and operational results.

Product Returns

Product returns are a customary part of the Resulting Issuer's business. Products may be returned for various reasons, including expiration dates or lack of sufficient sales volume. Any increase in product returns could reduce the Resulting Issuer's results of operations.

Transportation Risk

In order for customers of the Resulting Issuer to receive their product, the Resulting Issuer will rely on third party transportation services. This can cause logistical problems with, and delays in, end users obtaining their orders which the Resulting Issuer has no control over. Any delay by third party transportation services may adversely affect the Resulting Issuer's financial performance.

Moreover, transportation to and from the Resulting Issuer's facilities is critical. A breach of security during transport could have material adverse effects on the Resulting Issuer's business, financials and prospects. Any such breach could impact the Resulting Issuer's operations and financial performance.

Reliance on Third-Party Suppliers, Manufacturers and Contractors

In spite of the Resulting Issuer's policy intention to produce Hemp based CBD products, the Resulting Issuer intends to maintain a full supply chain for the provision of products and services. Due to the uncertain regulatory landscape for regulating cannabis in the U.S., the Resulting Issuer and its potential third-party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for the Resulting Issuer's operations. Loss of the possible supply chain, manufacturers and contractors may have a material adverse effect on the Resulting Issuer's future potential business and operational results.

Price of Hemp based CBD Oil

The future trading price of the Resulting Issuer's common shares and its financial results may be significantly and adversely affected by an increase in the price of Hemp and the price of Hemp based CBD oil. Given the highly regulated nature of the industry, the price of CBD is affected by numerous factors beyond the Resulting Issuer's control, including but not limited to, government regulation, taxation, interest rates, inflation or deflation, supply and demand, and general prevailing political and economic conditions. A general downturn in the CBD market could result in a significant decrease in the Resulting Issuer's revenue. Any such price decline may have a material adverse effect on the Resulting Issuer.

Industry Competition

The markets for businesses in the CBD industry is competitive and evolving. In particular, the Resulting Issuer faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Resulting Issuer has.

Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry, in particular, the Issuer may not be able to create and maintain a competitive advantage in the marketplace. The Issuer's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on the Resulting Issuer's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Resulting Issuer to anticipate or respond adequately to such changes could have a material adverse effect on its financial condition, operating results, liquidity, cash flow and operational performance.

Intra-Industry Competition

The number of competitors in the Resulting Issuer's market segment related to the activities of ABL is expected to increase, both nationally and internationally, which could negatively impact the Resulting Issuer's market share and demand for products.

The introduction of a recreational model for marijuana production and distribution in various jurisdictions may cause producers in those jurisdictions to expand beyond the medical marijuana market and compete with the Resulting Issuer's products. The impact of this potential development may be negative for the Resulting Issuer and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which the Resulting Issuer will operate through ABL.

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

The Resulting Issuer also faces competition from producers who may not comply with applicable regulations. As a result, such producers may have lower operating costs, make impermissible claims and utilize other competitive advantages based on circumvention of regulatory requirements. To remain competitive, the Resulting Issuer will require continued significant investment in research and development, marketing, sales and customer support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Changing Consumer Preferences and Customer Retention

As a result of changing consumer preferences, many dietary supplements and other innovative products attain financial success for a limited period of time. Even if the Resulting Issuer's products find retail success, there can be no assurance that any of its products will continue to see extended financial success. The Resulting Issuer's success will be significantly dependent upon its ability to develop new and improved product lines. Even if it is successful in introducing new products or developing its proposed products, a failure to gain consumer acceptance or to update products with compelling content could cause a decline in its products' popularity that could reduce revenues and harm the Resulting Issuer's business, operating results and financial condition. Failure to introduce new features and product lines and to achieve and sustain market acceptance could result in the Resulting Issuer being unable to meet consumer preferences and generate revenue which would have a material adverse effect on its profitability and financial results from operations.

The Resulting Issuer's success depends on its ability to attract and retain customers. There are many factors which could impact the Resulting Issuer's ability to attract and retain customers, including but not limited to the Resulting Issuer's ability to continually produce desirable and effective product, the successful implementation of the Resulting Issuer's customer acquisition plan and the continued growth in the aggregate number of people selecting CBD wellness products. The Resulting Issuer's failure to acquire and retain customers could have a material adverse effect on the Resulting Issuer's business, operating results and financial position.

Creating, Maintaining and Promoting the Resulting Issuer's Brand

Management believes that creating, maintaining and promoting the Resulting Issuer's brand is critical to expanding its customer base. Maintaining and promoting the Resulting Issuer's brand will depend largely on its ability to continue to provide quality, reliable and innovative products, which it may not do successfully. The Resulting Issuer may introduce new products or services that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Resulting Issuer's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Resulting Issuer fails to successfully create, promote and maintain its brand or if it incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Unfavourable Publicity or Consumer Perception of CBD Products

The Resulting Issuer believes the CBD industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of its products and perceptions of regulatory compliance. Consumer perception of the Resulting Issuer's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention, position of various politicians and political parties and non-governmental organizations and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the CBD market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's CBD products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for CBD products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of CBD products in general, or the Resulting Issuer's products specifically, or associating the consumption of CBD products with illness or other negative effects or events, could have such a material adverse effect. Consumers, vendors, landlords/lessors, industry partners or third-party service providers may incorrectly perceive hemp products as marijuana thereby applying the unfavourable stigma of marijuana to the Resulting Issuer's products. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Unfavourable publicity and/or unfavourable consumer perception could cause federal and state lawmakers to pass laws restricting the use, manufacturing and distribution of Hemp based CBD products. Such laws may have a negative impact on the operations and the financial performance of the Resulting Issuer.

Inability to Sustain Pricing Models

Significant price fluctuations or shortages in the cost of materials may increase the Resulting Issuer's cost of goods sold and cause its results of operations and financial condition to suffer. If the Resulting Issuer is unable to secure materials at a reasonable price, it may have to alter or discontinue selling some of its products or attempt to pass along the cost to its customers, any of which could adversely affect its results of operations and financial condition.

Additionally, increasing costs of labour, freight and energy could increase its and its suppliers' cost of goods. If its suppliers are affected by increases in their costs of labour, freight and energy, they may attempt to pass these cost increases on to the Resulting Issuer. If the

Resulting Issuer pays such increases, it may not be able to offset them through increases in its pricing, which could adversely affect its results of operations and financial condition.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Resulting Issuer's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Resulting Issuer's products or services. In addition, no assurance can be given that the Resulting Issuer will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Obtaining Insurance

Due to the Resulting Issuer's involvement in the hemp industry through ABL, it may have a difficult time obtaining the various insurances that are desired to operate its business, which may expose the Resulting Issuer to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive, because of the regulatory regime applicable to the hemp industry. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future, or that the cost will be affordable. If the Resulting Issuer is forced to go without such insurance coverage, it may prevent it from entering into certain business sectors, may inhibit growth, and may expose the Company to additional risk and financial liabilities.

Additional Financings

If the Resulting Issuer is not able to sustain profitability or if it requires additional capital to fund growth or other initiatives, it may require additional equity or debt financing. There can be no assurances that the Resulting Issuer will be able to obtain additional financial resources on favorable commercial terms or at all. Failure to obtain such financial resources could affect the Resulting Issuer's plan for growth or result in the Company being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on the business, results of operations and the financial condition of the Resulting Issuer.

Management of Growth

The Resulting Issuer may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Risks Related to Acquiring Companies

The Resulting Issuer may acquire other companies in the future and there are risks inherent in any such acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Resulting Issuer is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from such acquisitions. All of these factors could cause dilution to the Resulting Issuer's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Resulting Issuer's securities. The Resulting Issuer may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by the Resulting Issuer's management, the Resulting Issuer may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

Inability to Protect Intellectual Property

The Resulting Issuer's success in the CBD industry is heavily dependent upon its intangible property and technology. The Resulting Issuer relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Resulting Issuer relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Resulting Issuer to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Resulting Issuer's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Resulting Issuer's. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Resulting Issuer may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Resulting Issuer's ability to successfully implement its business plan depends in part on its ability to obtain, maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Resulting Issuer's names and logos. If the Resulting Issuer's efforts to protect its intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on the Resulting Issuer's business and might prevent its brands from achieving or maintaining market acceptance.

The Resulting Issuer may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Resulting Issuer to incur significant penalties and costs.

Intellectual Property Claims

Companies in the retail and wholesale CBD industries frequently own trademarks and trade secrets and often enter into litigation based on allegations of infringement or other violations of intangible property rights. The Resulting Issuer may be subject to intangible property rights claims in the future and its products may not be able to withstand any third-party claims or rights against their use. Any intangible property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Resulting Issuer from offering its products to others and may require that the Resulting Issuer procure substitute products or services.

With respect to any intangible property rights claim, the Resulting Issuer may have to pay damages or stop using intangible property found to be in violation of a third party's rights. The Resulting Issuer may have to seek a license for the intangible property, which may not be available on reasonable terms and may significantly increase operating expenses. The technology also may not be available for license at all. As a result, the Resulting Issuer may also be required to pursue alternative options, which could require significant effort and expense. If the Resulting Issuer cannot license or obtain an alternative for the infringing aspects of its business, it may be forced to limit product offerings and may be unable to compete effectively. Any of these results could harm the Resulting Issuer's brand and prevent it from generating sufficient revenue or achieving profitability.

Litigation

The Resulting Issuer is, and may from time to time become, party to litigation in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer is, or becomes, involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

Trade Secrets may be Difficult to Protect

The Resulting Issuer's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Resulting Issuer operates in a highly competitive industry, it relies in part on trade secrets to protect its proprietary products and processes. However, trade secrets are difficult to protect.

The enforcement of a claim alleging that a party illegally obtained and was using the Resulting Issuer's trade secrets could be difficult, expensive and time consuming and the outcome could be unpredictable. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Resulting Issuer's competitive position.

Use of Customer Information and Other Personal and Confidential Information

The Resulting Issuer collects, process, maintains and uses data, including sensitive information on individuals, available to the Resulting Issuer through online activities and other customer interactions with its business. The Resulting Issuer's current and future marketing programs may depend on its ability to collect, maintain and use this information, and its ability to do so is subject to evolving international, U.S. and Canadian laws and enforcement trends. The Resulting Issuer strives to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection, including those relating to the use of data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, conflict with other rules, conflict with the Resulting Issuer's practices or fail to be observed by its employees or business partners. If so, the Resulting Issuer may suffer damage to its reputation and be subject to proceedings or actions against it by governmental entities or others. Any such proceeding or action could hurt the Resulting Issuer's reputation, force it to spend significant amounts to defend its practices, distract its management or otherwise have an adverse effect on its business.

Global Economic Uncertainty

Demand for the Resulting Issuer's products and services are influenced by general economic and consumer trends beyond the Resulting Issuer's control. There can be no assurance that the Resulting Issuer's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Furthermore, such economic conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, the Resulting Issuer might experience reductions in business activity, increased funding costs and funding pressures, as applicable, a decrease in the market price of the Issuer Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

Emerging Industry

As a participant in a new CBD industry, the Resulting Issuer has limited access to industry benchmarks in relation to the Resulting Issuer's business. Industry-specific data points such as operating ratios, research and development projects, debt structures, compliance and other financial and operational related data is limited and accordingly, management will be required to make decisions in the absence of such data points.

Dividends to Shareholders

The Resulting Issuer does not anticipate paying cash dividends on the Issuer Shares in the foreseeable future. The Resulting Issuer currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the directors and will depend on, among other things, the Resulting Issuer's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the directors deems relevant. Investors must rely on sales of their Issuer Shares after price appreciation, which may never occur, as the only way to realize a return on their investment.

Holding Company Structure

The Resulting Issuer is a holding company and substantially all of its assets consist of shares of ABL and PTI. As a result, investors are subject to the risks attributable to ABL and PIT and any and all future affiliates. The Resulting Issuer does not have any significant assets and conducts substantially all of its business through ABL and PTI. PTI generates all or substantially all of the Resulting Issuer's revenues. The ability of the ABL and PTI to distribute funds to the Resulting Issuer will depend on their operating results, tax considerations (both domestic and cross-border) and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by ABL and PTI and contractual restrictions contained in the instruments governing their debt, existing or if incurred. In the event of a bankruptcy, liquidation or reorganization of ABL, PTI or any other future subsidiary, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Future Sales of Issuer Shares by the Resulting Issuer Shareholders, Directors or Officers

Subject to compliance with applicable securities laws and the terms of the escrow described in section 11 "Escrowed Securities", the Resulting Issuer's, insiders, officers, directors, and their affiliates may sell some or all of their Issuer Shares in the future. No prediction can be made as to the effect, if any, such future sales of the Issuer Shares will have on the market price of the Issuer Shares prevailing from time to time. However, the future sale of a substantial number of the Issuer Shares by our insiders, officers, directors and their affiliates, or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Issuer Shares.

Additional Issuer Shares issuable upon the exercise of stock options or the conversion of warrants may also be available for sale in the public market after the date of the listing of the Issuer Shares, which may also cause the market price of the Issuer Shares to fall. Accordingly, if substantial amounts of the Issuer Shares are sold in the public market, the market price could fall.

Increased Cost of a Reporting Issuer

The Resulting Issuer will incur significant legal, accounting, insurance and other expenses as a result of being a public company with two U.S. subsidiaries, which may negatively impact its performance and could cause its results of operations and financial condition to suffer.

Financial Reporting and Other Public Company Requirements

The Resulting Issuer is subject to reporting and other obligations under applicable Canadian Securities Laws and rules of any stock exchange on which the Issuer Shares are then-listed. These reporting and other obligations place significant demands on the management, administrative, operational and accounting resources. If the Resulting Issuer is unable to accomplish any such necessary objectives in a timely and effective manner, the Resulting Issuer's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Resulting Issuer to fail to satisfy its reporting obligations or result in material misstatements in our financial statements. If the Resulting issuer cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in the Resulting Issuer's reported financial information, which could in turn result in a reduction in the trading price of the Issuer Shares.

The Resulting Issuer is a "venture issuer" as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") . In contrast to the certificate required for non-venture issuers under NI 52-109, the certificates filed by the Resulting Issuer's officers will not be required to include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers will not be required to make any representations relating to the establishment and maintenance of i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Resulting Issuer's GAAP or IFRS.

Inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors Associated with Becoming a U.S. Domestic Issuer

After the completion of the Acquisition, the Resulting Issuer will likely no longer meet the definition of a "foreign private issuer" as defined under Rule 405 of the United States *Securities Law Act of 1933* (the "Securities Act") and as a result will likely be classified as a "domestic issuer" pursuant to Rule 902(e) of Regulation S promulgated under the Securities Act.

The implications of being deemed a U.S. domestic issuer include the following:

1. Certain exemptions to Exchange Act registration for foreign private issuers are no longer available

The exemption under Section 12g3-2(b) from the requirement to register the Issuer Shares with the U.S. Securities and Exchange Commission ("SEC") under the United States *Exchange Act of 1934* (the "Exchange Act") will likely not be available to the Resulting Issuer. According to Section 12(g) of the Exchange Act, companies are required to register securities with the SEC under the Exchange Act within 120 days of the first fiscal year end in which (i) they have $10M US or greater in assets and (ii) their securities are held by more than 2,000 persons or 500 persons who are not accredited investors.

The requirement to register securities according to 12(g) of the Exchange Act and subsequently file continuous disclosure reports with the SEC is subject to exemptions pertaining to foreign private issuers such as (1) the exemption in Rule 12(g)3-2(a) which applies to issuers that have securities held by fewer than 300 holders resident in the United States, and (2) the exemption found in 12(g)3-2(b) which applies to issuers (i) not otherwise required to file or furnish reports with the SEC under Section 13(a) or 15(d) of the Exchange Act, (ii) that have a primary trading market for their securities outside of the United States, and (iii) that publish certain disclosure on their website in English in accordance with the rule.

2. More onerous reporting if the Company becomes an SEC registrant

If the Company decides to register a class of securities under the Exchange Act it will be subject to the more onerous reporting regime applicable to domestic issuers reporting under Form 8-K for current reports, Form 10-Q for quarterly reports and Form 10-K for annual reports as opposed to Form 6K for current reports and Form 20-F for annual reports applicable to foreign private issuers.

3. More onerous resale restrictions

As a domestic issuer, all subsequent financings of the Company outside of the U.S. will likely be subject to a one-year distribution compliance period under Regulation S of the Securities Act and will likely only be available for resale upon satisfaction of the requirements of Rule 144 of the Securities Act, as Regulation S Rule 904 will not be available for removal of the U.S. legend on any U.S. restricted Issuer Shares attendant to a resale of those shares. For example, private placement share sales in Canada will be subject to a four-month Canadian hold period and will likely be subject to a one-year U.S. distribution compliance period, with the resale of such shares dependant on compliance with Rule 144.

The hold period pursuant to Rule 144 is one year for issuers that are not SEC reporting issuers and six months for SEC reporting issuers. The Resulting Issuer plans to register the Issuer Shares as a class of securities under the Exchange Act, however, there can be no guarantee that such registration will be obtained.

4. Increased cost of compliance with U.S. law

Being a U.S. domestic issuer will require the Resulting Issuer to bear the cost of compliance with sections 1 to 3 above increasing its overall regulatory and administrative costs. Unless the Resulting Issuer registers the Issuer Shares as a class of securities under the Exchange Act, it will be more difficult for the Resulting Issuer to raise funds in the future because potential investors may not want to purchase the Issuer Shares due to the stringent resale restrictions imposed by the Rule 144 as applicable to the Resulting Issuer. The inability to raise funds is likely to have a negative impact on the Resulting Issuer's operations.

Limited Control Over the Company's Operations

Holders of the Issuer Shares will have limited control over changes in the Resulting Issuer's policies and operations, which increases the uncertainty and risks of an investment in the Resulting Issuer. The board of directors of the Resulting issuer will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to Shareholders. Generally, the board of directors may amend or revise these and other policies without a vote of the holders of the Issuer Shares. The Board's broad discretion in setting policies and the limited ability of holders of the Issuer Shares to exert control over those policies increases the uncertainty and risks of an investment in the Resulting Issuer.

Restrictions on Sales Activities

The Hemp industry is in its early development stage and restrictions on sales and marketing activities imposed by the FDA in the United States of America, various medical associations, other governmental or quasigovernmental bodies or voluntary industry associations may adversely affect the delivery of the Resulting Issuer's services, ABL's ability to conduct sales and marketing activities and could have a material adverse effect on the Resulting Issuer's and ABL's businesses, operating results and financial conditions.

Product Liability

As manufacturers and distributors of products designed to be ingested or inhaled by humans, ABL (and potentially the Resulting issuer and PTI) face an inherent risk of exposure to product liability claims, regulatory action and litigation if their products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involve the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, or unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption or use of the Portfolio Companies' products alone or in combination with other medications or substances could occur.

PTI faces the similar risks associate to the distribution and sale of its products.

ABL and PTI may be subject to various product liability claims and class actions, including, among others, that their products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against a Portfolio Issuer could result in increased costs, adversely affect such Portfolio Issuer's reputation with clients and consumers generally, and adversely affect the results of operations and financial conditions of such Portfolio Issuer and, therefore, the Resulting Issuer's prospective returns.

Acquisition Strategy

As part of the Resulting Issuer's business strategy, it has sought and will continue to seek acquisitions opportunities in the CBD and DME industry. In pursuit of such opportunities, the Resulting Issuer may encounter strong competition from other companies and may fail to select appropriate opportunities or negotiate acceptable arrangements for acquisitions. The Resulting Issuer cannot assure that it can complete any business arrangement that it pursues or is pursuing, on favourable terms, or that any business arrangements completed will ultimately benefit the Resulting Issuer.

Future Sales or Issuances of Securities

The Resulting Issuer plans to issue additional securities to finance future activities. The Resulting Issuer cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the common shares. Future sales or issuances of substantial numbers of common shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the shares. With any additional sale or issuance of common shares, investors will suffer dilution to their voting power and the Resulting Issuer may experience dilution in its earnings per common share.

No Operating History in the CBD Industry

The Resulting Issuer has no history of managing operations in the CBD industry and has no history or producing and selling CBD products. The Resulting Issuer is therefore subject to many of the risks common to entering a new area of operation, including undercapitalization, limitations with respect to personnel, financial, and other resources lack of revenues, and uncertainty with respect to its ability to attract and retain paying clients. There is no assurance that the Resulting Issuer will be successful in operating its business or achieving a return on its investment in ABL and/or PTI and the likelihood of success must be considered in light of the Resulting Issuer's lack of experience in the cannabis industry. Most of the businesses in which the Resulting Issuer could invest also have limited operating history, and many may have little or no history of revenues or profitability.

Volatile Market Price of Shares

The market price for the Resulting Issuer's common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding shares;
- sales or perceived sales of additional common shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the industries in which the Resulting Issuer invests and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies;
- material litigation; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have always experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted, and the trading price of the common shares may be materially adversely affected.

Key Personnel Risks

The Resulting Issuer's efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the Resulting Issuer's CEO, the directors of ABL and PTI and the Resulting Issuer's Board. The Resulting Issuer presently does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Resulting Issuer and its securities. The Resulting Issuer's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business including as a result of contractual or other disputes related to the Portfolio Companies or as a consequence of the Resulting Issuer's Exchange listing and reporting issuer status. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the common shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

Bankruptcy or Insolvency of ABL or PTI

There is no guarantee that the Resulting Issuer will be able to effectively enforce any interests it may have in ABL and PTI. A bankruptcy or other similar event related to ABL or PTI may occur that precludes a party from performing its obligations under an agreement may have a material adverse effect on the Resulting Issuer. Further, as an equity investor, should ABL or PTI have insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Resulting Issuer. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Resulting Issuer.

Unknown Defects and Impairments

In the future a defect in a consulting agreement or investment agreement may arise and may have a material adverse effect on the Resulting Issuer, ABL or PTI.

Competition

The Resulting Issuer competes with other companies for financing and investment opportunities in the CBD and the DME industries. Some of these companies may possess greater financial resources than the Resulting Issuer. Such competition may result in the Resulting Issuer being unable to enter into desirable investment agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its investments. Existing or future competition in the CBD and DME industries could materially adversely affect the Resulting Issuer's prospects for entering into additional agreements in the future.

Conflicts of Interest

Certain of the employees, officers and directors of the Resulting Issuer may also be directors, officers, consultants or stakeholders of other companies or enterprises, some of which may be in similar sectors, and conflicts of interest may arise between their duties to the Resulting Issuer and their duties to or interests in such other companies or enterprises. Certain of such conflicts may be required to be disclosed in accordance with, and subject to, such procedures and remedies as applicable under the applicable corporate and securities laws, however, such procedures and remedies may not fully protect the Resulting Issuer.

Failure to Realize Expected Rate of Return on the Investments

Investments in Portfolio Companies involves risks that could materially and adversely affect the Resulting Issuer's business plan, including without limitation, the failure of the Portfolio Companies to: (i) realize the results the Resulting Issuer expects; (ii) obtain and/or maintain Regulatory Approvals; and (iii) successfully compete in the CBD and DME industries. In addition, there could be unknown or undisclosed risks or errors in the various estimates provided by the Portfolio Companies that could materially and adversely affect the Resulting Issuer and its financial results. There can be no assurances that the Resulting Issuer will be able to realize its projected rate of return on the Resulting Issuer's investments in the Portfolio Companies.

Cyber Security Threats

The Resulting Issuer will rely on secure operations of information technology systems in the conduct of the Resulting Issuer's operations. Access to and security of the information technology systems are critical to the Resulting Issuer's proposed operations. The Resulting Issuer intends to implement policies, controls and practices to manage and safeguard the Resulting Issuer and the Resulting Issuer's stakeholders from internal and external cyber security threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, the Resulting Issuer cannot assure that the Resulting Issuer's information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Disruptions to the Resulting Issuer's information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyberattacks, natural disasters, and non- compliance by third party service providers and inadequate levels of cyber security expertise and safeguards of third party information technology service providers, may adversely affect the operations of the Resulting Issuer as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third party data, material adverse effect on the Resulting Issuer's financial performance, compliance with the Resulting Issuer's contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

Production Capacity

The current projected production capacity of the ABL's future production facilities is only an estimate and is subject to a number of factors including plant design errors, dependence on certain cultivation technologies and key personnel, among others. The failure of ABL to achieve full production capacity at its proposed production facilities could have a material adverse effect on the Resulting Issuer.

Negative Cash Flow and Additional Funding Requirements

The Resulting Issuer does expect to generate significant revenue and cash flow from PTI during the current financial year. In order for ABL to generate revenues, ABL must complete the construction of the ABL production facility, which will require substantial additional financial resources that the Resulting Issuer might not have available. The amount and timing of expenditures will depend on a number of factors including funds available, and cash flows generated from the Resulting Issuer's services business. There is no assurance that the Resulting Issuer will be able to access capital on commercially reasonable terms or at all and, even if successful, there is no assurance that the Resulting Issuer will raise enough capital to fund the development of a successful production facility for ABL including the marketing of its products, or general working capital, resulting in continuing negative operating cash flow for the foreseeable future.

Limited Market for Securities

The Resulting Issuer's common shares will resume trading on the CSE and in Frankfurt, however, there can be no assurance that an active and liquid market for the Resulting Issuer's common shares will develop or be maintained in order to consider market equity funding.

Risk of Damage to Reputation and Negative Publicity

The Resulting Issuer's ability to retain existing management contracts and client relationships and to attract new business is dependent on the maintenance of its reputation. The Resulting Issuer is vulnerable to adverse market perception as it operates in an industry where a high level of integrity and investors trust is paramount. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Resulting Issuer's responsibilities, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Resulting Issuer, could have a material adverse effect on the financial condition, results or operations of the Resulting Issuer.

Risks in Fluctuations in Foreign Currency

Fluctuations in the value of Canadian and US currencies in which the Resulting Issuer may generate revenues or incur costs may be difficult to predict and could cause the Resulting Issuer to incur currency exchange losses. Receivables and liabilities in currencies other than the functional currency could also move adversely to the Resulting Issuer from the date of accrual by the Resulting Issuer to the date of actual settlement of receivables or liabilities in a currency other than the functional currency. A disparity between the accrual and settlement amounts due to currency exchange costs could have a material adverse effect on the Resulting Issuer's business. The Resulting Issuer cannot predict the effect of exchange rate fluctuations on future operating results. Future fluctuations in currency exchange rates could materially and adversely affect the Resulting Issuer's business.

The Resulting Issuer does not hedge and does not plan to hedge against the foreign currency exposure.

Risk of Inability to Enforce Legal Rights in Certain Circumstances

In the event a dispute arises in another foreign jurisdiction, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Resulting Issuer's assets are governed or located outside of Canada, investors may have difficulty collecting from the Resulting Issuer any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities legislation.

18. PROMOTER

Mr. Dieter Peter who is a director of the Resulting Issuer is also the promoter of the Resulting Issuer. The disclosure regarding the voting securities of the Resulting Issuer controlled by Mr. Peter, cease trade orders and any other orders, receiverships, bankruptcies, proceedings, sanctions and penalties is provided in section 13 of this Listing Statement.

The following are the particulars of the settlements of loans between a party jointly controlled by Dieter Peter and his spouse and the Issuer during the last three years.

On Jul 25, 2014, the Issuer issued 1,363,042 bonus Warrants, valued at $10,311 to Merfin Management Limited, a private holding company, controlled equally by two trusts, whose trustees are Dieter Peter and another individual, as a bonus, pursuant to the loan agreement between Merfin Management Limited and the Issuer.

On December 29, 2014 the Issuer settled $195,000 on an outstanding loan with Merfin Management Limited by issuing 2,437,500 Issuer-Shares, at a fair value of $0.08 per share.

The Issuer has not acquired and does not plan to acquire any assets from the promoter.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

There are no legal proceedings material to the Resulting Issuer or a subsidiary of the Resulting Issuer to which the Resulting Issuer or a subsidiary of the Resulting Issuer is a party or of which any of their respective property is the subject matter, and there no such proceedings known to the Resulting Issuer or a subsidiary of the Resulting Issuer to be contemplated.

19.2 Regulatory Actions

No penalties or sanctions have been imposed against the Resulting Issuer, Issuer or a subsidiary of the Resulting Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

No other penalties or sanctions have been imposed by a court or regulatory body against the Resulting Issuer, Issuer or a subsidiary of the Resulting Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed.

There were no settlement agreements entered into by the Resulting Issuer, the Issuer or a subsidiary of the Resulting Issuer before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or executive officers or principal shareholders who control or have direction over more than 10 percent of any class or series of the outstanding voting securities of the Resulting Issuer, or any associate or affiliate of the foregoing, have had a material interest, direct or indirect, in any transaction within the three-year period prior to the date of this Listing Statement, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Resulting Issuer, the Issuer or any of their subsidiaries.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditor

The auditors of the Issuer are Manning Elliott LLP, Chartered Professional Accountants, located at 1700-1030 W. Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3 and will remain such of the Resulting Issuer.

21.2 Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is Computershare Trust Issuer of Canada of 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9 and will remain such of the Resulting Issuer.

22. MATERIAL CONTRACTS

The following table provides the particulars of material contracts other than contracts entered into in the ordinary course of business that were entered into within the two years before the date of the Listing Statement by the Issuer, ABL or PTI:

Date	Name of the Contract	Parties	Description	Status
January 31, 2019	Letter confirming Loan Financing	ABL and Atlantic Capital Lenders Corp.	A letter of credit for US$1,000,000	Active
March 22, 2018 and March 12, 2019	Definitive Acquisition and Share Exchange Agreement and Amendment 1	Nass Valley Gateway Ltd. and Advanced Bioceutical Limited	Share acquisition agreement to acquire all shares of ABL and PTI as described in this Listing Statement.	Active
December 12, 2016	Merchant Agreement	1 Global Capital ,LLC and Pro-Thotics Technology Inc.	Merchant Agreement providing a credit in the amount of US$ 250,000.	Active
July 7, 2017	Promissory Note	PBC Madison, LLC and Pro-Thotics Technology Inc.	Promissory note in the amount of US$ 500,000 bearing annual interest rate of 12%	Active

23. INTEREST OF EXPERTS

There are no direct or indirect interests in the property of the Resulting Issuer or of a Related Person of the Resulting Issuer that have been received or are to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation included in this Listing Statement.

24. OTHER MATERIAL FACTS

24.1 Other Material Facts

There are no other material facts about the Resulting Issuer, the Issuer or a subsidiary of the Resulting Issuer or any of their securities that are not elsewhere disclosed herein and which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer, the Issuer or a subsidiary of the Resulting Issuer and their securities.

25. FINANCIAL STATEMENTS

25.1 Financial Statements of the Issuer

(a) Attached to, as Exhibit "A1" and forming a part of this Listing Statement are the audited financial statements of the Issuer for the years ended December 31, 2015, 2016 and 2017.

(b) Attached to, as Exhibit "A2" and forming a part of this Listing Statement are reviewed interim financial statements for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018.

25.2 Financial Statements of Target

(a) Attached to, as Exhibit "B1", and forming a part of this Listing Statement are PTI's audited financial statements for the years ended December 31, 2016 and 2017.

(b) Attached to, as Exhibit "B2" unaudited pro forma consolidated financials of ABL with PTI as its wholly owned subsidiary as at December 31, 2017. (Note: ABL was only incorporated in January 2018 and as such had no financial statements as at December 31, 2017).

(c) Attached to, as Exhibit "B3", and forming part of this Listing Statement are ABL's reviewed interim financial statements for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018.

25.3 Pro-forma Financial Statements of the Resulting Issuer

Attached as Exhibit "C", and forming a part of this Listing Statement, are the Issuer's Pro-forma financial statements for the period ended September 30, 2018.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Nass Valley Gateway Ltd., hereby applies for the listing of the abovementioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Nass Valley Gateway Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver,

this 27th day of March, 2019.

"John Affenita"

John Affenita

Chief Executive Officer

"Michael Semler"

Michael Semler

Chief Financial Officer

"Andrew von Kursell"

Andrew von Kursell

Director

"Dieter Peter"

Dieter Peter

Director, Promoter

"Milo Filgas"

Milo Filgas

Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Advanced Bioceuticals Limited. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver,

this 27th day of March, 2019.

"Samuel Alawieh"	*"Michael Semler"*
Dr. Samuel Alawieh	Michael Semler
Chief Executive Officer	Chief Financial Officer, Director
"Gregory Vax"	*"Michael Racaniello"*
Gregory Vax	Michael Racaniello
Director	Director

EXHIBIT A1

ISSUER'S AUDITED FINANCIAL STATEMENTS AND MD&A

FOR

2017, 2016, 2015

NASS VALLEY GATEWAY LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

NASS VALLEY GATEWAY LTD.

Contents

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Nass Valley Gateway Ltd.

We have audited the accompanying financial statements of Nass Valley Gateway Ltd. which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained based on our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Nass Valley Gateway Ltd. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Nass Valley Gateway Ltd. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
April 4, 2018

Nass Valley Gateway Ltd.
Statements of financial position
(Expressed in Canadian Dollars)

	Note	December 31 2017	December 31 2016
		$	$
ASSETS			
Current assets			
Cash and equivalents	4	**38,386**	150,973
Marketable securities	5	**264**	264
Amounts receivable and due from related parties	6	**66,481**	38,064
		105,131	189,301
Non-current assets			
Reclamation bond		**3,000**	3,000
		108,131	192,301
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	**614**	1,139
Shareholders' equity			
Share capital	7	**3,216,971**	3,216,971
Share based payment reserve	7	**575,710**	547,751
Deficit		**(3,685,164)**	(3,573,560)
		107,517	191,162
		108,131	192,301

Nature and Continuance of Operations (Note 1)

Subsequent events (Note 11)

These financial statements were approved and authorized for issue by the Board of Directors on April 4, 2018 and were signed on its behalf:

"Dieter Peter"	*"Andrew von Kursell"*
Dieter Peter, Director	Andrew von Kursell, Director

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

Nass Valley Gateway Ltd.
Statements of comprehensive loss
(Expressed in Canadian Dollars)

	Note	For the years ended December 31 2017	2016
		$	$
Expenses			
Accounting and legal		30,242	17,675
Consulting	6	3,500	-
Investor relations		4,010	1,912
Loan interest expenses and bank charges		244	198
Marketing and promotion		5,380	
Office and miscellaneous expenses		4,696	4,784
Rent		3,600	4,124
Share-based payments	7(c)	27,959	13,816
Transfer agent and filing fees		14,273	14,660
Travel and promotion		-	6,761
Wages and salaries		17,700	16,707
Loss before other item		(111,604)	(80,637)
Other item			
Loss on foreign exchange		-	(3,035)
Net loss and comprehensive loss		(111,604)	(83,672)
Net loss per share, basic and diluted		(0.01)	(0.00)
Weighted average number of common shares outstanding		31,751,977	31,751,977

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

Nass Valley Gateway Ltd.
Statements of changes in equity
For the years ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

	Note	Share Capital				
		Number of shares	Amount	Share-based payment reserve	Deficit	Total
			$	$	$	$
Balance, December 31, 2015		**31,751,977**	**3,216,971**	**533,935**	**(3,489,888)**	**261,018**
Share-based payments	7(c)	-	-	13,816	-	13,816
Comprehensive loss		-	-	-	(83,672)	(83,672)
Balance, December 31, 2016		**31,751,977**	**3,216,971**	**547,751**	**(3,573,560)**	**191,162**
Share-based payments	7(c)	-	-	27,959	-	27,959
Comprehensive loss		-	-	-	(111,604)	(111,604)
Balance, December 31, 2017		**31,751,977**	**3,216,971**	**575,710**	**(3,685,164)**	**107,517**

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

Nass Valley Gateway Ltd.
Statements of cash flows
(Expressed in Canadian Dollars)

	For the years ended December 31	
	2017	**2016**
Cash flows from operating activities	**$**	**$**
Net loss for the year	**(111,604)**	(83,672)
Item not affecting cash:		
Share-based payments	**27,959**	13,816
	(83,645)	(69,856)
Changes in non-cash working capital item:		
Accounts payable and accrued liabilities	**(525)**	(6,736)
	(84,170)	(76,592)
Cash flows from financing activity		
Advances to related parties	**(28,417)**	(17,722)
Change in cash and equivalents	**(112,587)**	(94,314)
Cash and equivalents, beginning	**150,973**	245,287
Cash and equivalents, ending	**38,386**	150,973
Supplemental disclosures:		
Taxes paid	-	-
Interest paid	-	-

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

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.

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 ITHL 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 listed corporate bonds issued by the Company. As the audited financial statements of ITHL were not provided by the Vendor, subsequent to the year ended December 31, 2017, the Company has terminated the arrangement with ITHL (Note 11).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern. The net realizable value of the Company's assets may be materially less than the amounts recorded in these condensed interim financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2017, the Company had an accumulated deficit of $3,685,164 which has been funded primarily by the issuance of equity. Ongoing operations of the Company are dependent upon the Company's ability to receive continued financial support, complete equity financings and ultimately the generation profitable operations in the future. These factors raise significant doubt about the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of measurement and preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

The policies set out in the ensuing paragraphs have been consistently applied to all years presented unless otherwise noted.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial period. The significant judgements and estimates are:

- Share based payments are based upon expected volatility and option life estimates;
- The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next year. Significant judgement areas include:

- Going concern;
- The assessment of the Company's ability to obtain financing to fund future working capital requirements.

c) Cash and equivalents

Cash is comprised of cash on hand and term deposits. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

d) Foreign currency

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are retranslated at historical exchange rates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resourced embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

f) Share-based payments

The fair value of stock options granted is measured at grant date using the Black-Scholes option pricing model. Where options are granted to consultants for goods or services rendered, the options are measured at the fair value of the goods or services received by the Company. If the fair value of the goods and services received cannot be reliably measured, the fair value of the stock option granted is used instead. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are expected to ultimately vest is computed. The movement in cumulative expense is recognized in the statement of loss with a corresponding entry within equity, against share based compensation reserve. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received together with any related amount in share based compensation reserve is credited to share capital.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

g) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

h) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting loss nor taxable loss and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loan and receivables, and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. It is management's opinion that the Company is not exposed to significant interest rate or credit risk arising from these financial instruments.

- *Financial assets at fair value through profit or loss*
  A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and include cash and equivalents and marketable securities, which are initially recognized at fair value.
- *Loans and receivables*
  Loans and receivables are non-derivative financial assets which fixed or determinable payments that are not quoted in an active market. Assets in this category are measured at amortized cost. They are classified as current or non-current assets based on their maturity date. Assets in this category include amounts receivable from related parties and are measured at amortized cost less impairment.
- *Available-for-sale financial assets*
  Available-for-sale financial assets are either designated as available for sale or not classified in any other categories. They are initially recognized at fair value plus transaction costs and are subsequently carried at fair value, with unrealized gains and losses recorded in other comprehensive income until disposition or other-than-temporary impairment at which time the gain or loss is recorded in earnings. The Company does not have any available-for-sale financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – this category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities – this category includes accounts payable and due to related parties, are initially recognized at fair value and subsequently stated at amortized cost. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- Financial assets carried at amortized cost: the loss is the difference between the amortized cost and its value of estimated future cash flows, discounted using the instrument's original effective interest rate;
- Available-for-sale financial assets: The loss is the amount comprising the difference between its original cost and its current fair value, less any impairment previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.
- Reversals of impairment losses on financial assets carried at amortized cost are recorded through the statement of loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss had been recognized. Impairment on available-for-sale instruments is not reversed.

m) Adoption of new pronouncements

The Company did not adopt any new or amended accounting standards during the year ended December 31, 2017 which had a significant impact on the Company's 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.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

(Expressed in Canadian Dollars)

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

Standards effective for annual periods beginning on or after January 1, 2018 (continued):

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

The adoption of these standards is not expected to have a material impact on the Company's financial statements.

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. CASH AND EQUIVALENT

	2017	2016
	$	$
Bank and petty cash	33,386	145,973
Term deposit	5,000	5,000
	38,386	150,973

5. MARKETABLE SECURITIES

	2017	2016
The Eelleet 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 from the Eelleet 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 December 31, 2017, the fair value of the shares was $0.03 per share for a total of $264 (2016 - $264).

(Expressed in Canadian Dollars)

6. 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 years ended December 31, 2017 and 2016:

	2017	2016
	$	$
Consulting fees:		
Chief financial officer	**3,500**	-

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

	2017	2016
	$	$
Due from related parties:		
The Eelleet Network Corp., a company with some common directors	**22,993**	13,515
Mineral Hill Industries Ltd., a company with some common directors and officers	**43,466**	24,549
	66,459	38,064
Amounts due to related parties included in accounts payable:		
Mineral Hill Industries Ltd., a company with some common directors and officers	**347**	647

Amounts receivable 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.

7. SHARE CAPITAL

a) Authorized share capital

At December 31, 2017, 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

As at December 31, 2017, the issued and outstanding common shares were 31,751,977.

During the years ended December 31, 2017 and 2016, 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 180 days after the date of issuance. Stock options granted to employees vest at a rate of 50% 180 days after the date of issuance and the balance on the first 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 $4,970 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.

On October 25, 2016, the Company granted 545,000 stock options to directors, officers and employees. Share-based compensation of $11,345 was recorded for the year. The weighted average fair value of the 545,000 options was $0.04. 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 I interest rate of 0.56%, the expected life of 3 years, expected volatility of 264%, forfeiture rate of 0% and expected dividends of $Nil.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Stock options (continued)

On August 6, 2016, 30 days subsequent to the resumption of trading, 600,996 options that had been granted to members of advisory and board committees were cancelled due to the Board of Directors' decision that, with the exception of the Audit Committee, the size of the Company's operations did not warrant the reappointment of additional committees at that time.

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

Expiry Date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Forfeited	Cancelled	December 31, 2017
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**

Expiry Date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Forfeited	Cancelled	December 31, 2016
November 12, 2016	$ 0.10	248,329	-	-	33,333	214,996	-
November 12, 2016	$ 0.10	305,000	-	-	95,000	210,000	-
April 28, 2018	$ 0.10	548,500	-	-	-	176,000	372,500
October 25, 2019	$ 0.10	-	545,000	-	-	-	545,000
		1,101,829	545,000	-	128,333	600,996	917,500
Weighted average exercise price							**$0.10**

Details regarding the options outstanding as at December 31, 2017 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	372,500	0.32	$ 0.07	372,500
$ 0.10	545,000	1.82	$ 0.04	545,000
$ 0.10	85,000	2.10	$ 0.06	85,000
$ 0.10	560,000	2.93	$ 0.06	170,000
$ 0.10	1,562,500	1.88	$ 0.06	1,172,500

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Stock options (continued)

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 reliably a single measure of the fair value of the Company's stock options.

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 these 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, 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	$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)						0.80

Expiry Date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Cancelled	December 31, 2016
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	$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)						0.73

(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.

(Expressed in Canadian Dollars)

8. INCOME TAXES

In assessing deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

	For the years ended December 31,	
	2017	**2016**
Canadian statutory income tax rate	**27%**	26%
	$	**$**
Income tax recovery at statutory rate	**(29,017)**	(21,755)
Effect on income taxes of:		
Permanent differences and other	**7,269**	3,592
Losses not recognized	**21,748**	18,163
Income taxes recoverable	**-**	-

The nature and effect of the Company's deferred tax assets (liabilities) is as follows:

	2017	**2016**
	$	**$**
Non capital losses carried forward	**623,791**	578,732
Mineral cost pools in excess of capitalized costs	**107,205**	103,235
Property and equipment	**1,031**	993
Marketable securities	**761**	732
Share issuance costs	**432**	624
Deferred tax assets	**733,220**	684,316
Deferred tax assets not recognized	**(733,220)**	(684,316)
Net deferred tax asset	**-**	-

As at December 31, 2017, the Company had non-capital losses carried forward of approximately $2,310,337 which may be applied to reduce future years' taxable income, expiring as follows:

2015	$	17,821
2026		246,823
2027		331,501
2028		268,312
2029		205,964
2030		280,124
2031		233,230
2032		223,800
2033		168,579
2034		127,550
2035		50,091
2036		72,097
2037		84,445
	$	2,310,337

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 amounts 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.

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.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

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 December 31, 2017 as follows:

	Fair Value Measurements Using			
	Level 1	**Level 2**	**Level 3**	**December 31, 2017**
Cash and equivalents	$ 38,386	–	–	$ 38,386

10. CAPITAL MANAGEMENT

The 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 year ended December 31, 2017. 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) Subsequent to the year ended December 31, 2017, the Company terminated the Definitive Asset Agreement with IXI Treasury Holdings Limited as the required audited financial statements were not provided as described in Note 1.

b) On March 22, 2018, the Company entered into a Definitive Acquisition and Share Exchange Agreement whereby the Company acquire a 100% interest in Advanced Bioceuticals Limited ("ABL") and its wholly owned subsidiary Pro-Thotics Technologies Inc. ("PTI") in exchange for 89.27% of the common shares of the Company. As ABL will own a majority of the common shares of the Company after the proposed transaction, the transaction will be considered as a reverse take over and will be accounted as a continuation of the assets and operations of ABL together with a recapitalization. The proposed transaction is subject to shareholder and regulatory approvals.

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Nass Valley Gateway Ltd. ("NVG" or the "Company"). The information herein should be read in conjunction with the financial statements for the year ended December 31, 2017 and 2016. The financial statements for the year ended December 31, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised primarily of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

The reader is encouraged to review the Company's statutory filings on **www.sedar.com** ("Sedar") and to review general information.

Description of Business and Overall Performance

The Company was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG" as a consequence of the new trading symbol system adopted by the CSE. Since October 5, 2007, the Company's common shares have been co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are trading under the symbol "3NVN". The Company's common shares are also traded on the Third Market Segment called Freiverkehr on the Berlin-Bremen Stock Exchange.

Between 2010 and 2012, the Company acquired the rights to two green-technology systems, an emission-free energy-converting and waste disposal system and a wood drying technology for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively, and spun off its mining exploration subsidiary Kirkland Precious Metals Corp. into a separate reporting exploration company via a Plan of Arrangement.

As the Company's efforts to finance a production plant based on its GSC technology system were not successful and its pilot plant based on the MWE technology was completely destroyed by a disastrous fire in 2013, as reported in the Company's monthly report dated Oct. 4, 2013, management investigated several projects within the bio-tech industry.

On October 16, 2014 Nass Valley announced that it had entered into a letter agreement granting the Company the exclusive right to acquire a corporation actively involved in the medicinal cannabis industry. The letter agreement, which was subject to a "Due Diligence Period", was extended past the original date of December 04, 2014 to allow the financiers additional time to raise the agreed upon financing but was subsequently terminated on Feb 10, 2015.

On May 26, 2015 the Company announced in a news release that it had entered into a letter agreement ("LOI") granting the Company the exclusive right to acquire a private corporation ("Target-A"), to develop transdermal delivery systems through a contracted third party ("Research-Co") to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD").

On July 07, 2015 Nass Valley announced that it had executed the Definitive Agreement ("Target-A-Agr"), dated June 15, 2015, based on the terms of the LOI.

As Nass Valley's acquisition of Target-A under the terms of the Target-A-Agr was considered a "Fundamental Change" under the rules of the CSE, the trading of the Company's stock was halted on August 18, 2015 until the approval or discontinuance of the transaction. In June 2016 the Target-A wanted to renegotiate the already executed agreement and as the Company declined to accept the drastically changed condition of the transaction, it was able to discontinue further negotiation with Target-A. As a consequence of NVG's public announcement on July 5, 2016, the Company's stock resumed trading on July 6, 2016.

Nass Valley Gateway subsequently completed due diligence on several qualifying target projects and rejected two more of them as the Board of Directors determined that an integration of those targets would also not have been in the best interest of its shareholders.

On February 8, 2017, the Company entered into a binding Letter of Intent and on February 15, 2017, the Company further entered into a Definitive Asset Purchase Agreement (the "DAP-Agr") to acquire 100% of IXI Treasury Holdings Limited ("ITHL" or "Vendor"). As the assets of ITHL ("Assets-ITHL") could not be validated to the full satisfaction of the Company, the Company added two addenda, "1708 -Addendum" and "1710-Addendum", which allowed ITHL to assign the DAP–Agr to an affiliated company, IXI Ventures PLC ("IXIVP" or "Vendor"), and replace the Assets-ITHL with assets of IXIVP ("Assets-IXIVP") under the conditions of the DAP-Agr. The Assets-IXIVP consisted of preferred shares of IXIVP which would have been backed by a basket of diversified tangible assets owned by IXIVP such as ownership in mines and a corporate European bond.

Under the conditions of the DAP-Agr and the addenda to the DAP-Agr, the Company would issue to IXIVP non-voting convertible Preferred Class-A shares ("Pref-A Shares"), of Series "1" ("Pref-A1") and Series "2" ("Pref-A2"), as consideration for the Assets-IXIVP.

On April 4, 2017 at a Special Shareholders' Meeting the amendment of the Company's articles to allow the issuance of 2 classes of Pref-A shares was unanimously approved by the Company's shareholders.

At the request of the Company in line with the rules of the CSE, the trading of its stock was halted on February 8, 2017 pending news of the acceptance of the transaction by the CSE.

As it took more time and effort for ITHL's financial statements to be .audited by a Canadian auditor, as requested by the CSE, and for the verification process of the Assets-ITHL, which was delayed and further complicated by the nature of the Assets-ITHL, than expected by the Parties, ITHL and the Company added an addendum (the 1708-Addendum") in August 2017 to the original Definite Asset Purchase Agreement ("DAP-Agr").

The 1708-Addendum allowed ITHL to assign the DAP-Agr to an affiliated company, IXI Ventures PLC ("IXIVP") and replace the ITHL's assets with Assets-IXIVP". The Assets-IXIVP will consist of preferred shares of IXIVP and will represent an equal value to the ITHL assets identified in the DAP-Agr and will be backed up by a basket of diversified tangible assets owned by IXIVP.

In October 2017 a second addendum, the 1710-Addendum, was executed by all parties concerned, in order to address the dismissal of a consolidation of the Company's share capital as required under the DAP-Agr.

As Management had not received any audited financial statements to verify the value of the Assets-IXIVP at the deadline of the "standstill" the Company persued other viable projects

Future Developments

In a news release, dated March 13, 2018, the Company announced that it had terminated the agreements with IXI Treasury Holdings Ltd. and IXI Ventures PLC as the requested audited financial statements to verify the value of the to be acquired assets were not supplied.

On March 22, 2018, the Company entered into a Definitive Acquisition and Share Exchange Agreement whereby the Company acquires a 100% interest in Advanced Bioceuticals Limited ("ABL") and its wholly owned subsidiary Pro-Thotics Technologies Inc. ("PTI") in exchange for 89.27% of the common shares of the Company. As ABL will own a majority of the common shares of the Company after the proposed transaction, the transaction will be considered as a reverse take over and will be accounted as a continuation of the assets and operations of ABL together with a recapitalization. The proposed transaction is subject to shareholders and regulatory approvals.

Highlights and Subsequent Events

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. ABL's business was mostly concentrated in the states of New York, New Jersey, and Florida for last 25 years serving patients throughout the US and its main operations are presently conducted through its wholly owned subsidiary, Pro-Thotics Technology Inc. (PTI). During PTI's 25-year history, 200,000 patients located throughout the U.S. and Puerto Rico were provided relief from pain and medical issues through the purchase of PTI's durable medical equipment products. Determined to expand upon this pain relief concept, ABL will aggressively continue to focus on the CBD marketplace as well as open offices in Maryland, Virginia, California and Washington, DC and expand its current New Jersey operations.

With its operations, presently conducted by PTI, in New York, New Jersey and Florida and its existing national marketing and advertising campaigns, ABL has action plans to establish in-house manufactured CBD products, CBD infused skin, bath, and body care products to the U.S.

Upon the approval of the Canadian Securities Exchange ("CSE"), Nass Valley as Resulting Issuer will acquire 100 % of the outstanding shares of ABL including its subsidiaries in exchange for the issuance of newly issued common shares issued at ten cents Canadian dollars ($0.10) per share and equal to approximately 90 % of all of the issued and outstanding securities of the Resulting Issuer on a fully diluted basis. Based on a review of 12 public companies trading in Australia, Canada and the US an adjusted average to revenue and average market capitalization to EBITDA was calculated to determine a deemed value of $43,250,000 for the proposed acquisition of ABL and its subsidiaries.

Subsequent to the CSE approval, ABL and its subsidiary will be wholly owned by the Resulting Issuer with will include an existing, very experienced and knowledgeable management team. The proposed transaction will be considered a Reversed Take Over ("RTO") under the rules of the CSE and as such will require shareholder approval or the written consent of more than 50% of a minimum of five registered shareholders for the final approval of the CSE.

As at the time of this report, due to a tight budget, all Directors of the Board and Executive Members of the Company's management team, excluding its Corporate Secretary as an employee, continue to provide unpaid services to the Company.

FINANCING

During the year ended December 31, 2016 and the year ended, December 31, 2017 no new equity financing was obtained and no loans to or from related parties incurred.

Results of Operations

The year ended December 31, 2017 compared to year ended December 31, 2016

Net loss and comprehensive loss for the year ended December 31, 2017 amounted to $111,604 (loss per share - $0.00 compared to $83,672 (loss per share - $0.00) in the previous year. As the Company is inactive, no revenue was generated. The increase in loss of $27,932 was mainly due to:

(i) an increase of $12,567 in accounting and legal expenses from $17,675 in 2016 to $30,242 in 2017 due to the Company's due diligence work for its IXIVP project;

(ii) an increase of $2,098 in cost in investor relations from $1,912 in 2016 to $4,010 in 2017 due to the potential "Fundamental Acquisition;

(iii) an increase in share based payments of $14,143 from $13,816 in 2016 to $27,959 in 2017 due to new options having been issued and vested;

(iv) an increase of $5,380 in marketing and promotion from $Nil in 2016 to $5,380 in 2017 due to the development of a new website;

(v) a decrease of $6,761 in travel cost from $6,761 in 2016 to $Nil in 2017.

Selected annual information

	Years Ended December 31		
	2017	2016	2015
	$	$	$
Total revenues	-	-	-
General and administrative	111,604	80,637	289,013
Loss for the year	(111,604)	(83,627)	(263,496)
Loss per share – basic	(0.00)	(0.00)	(0.01)
Loss per share – diluted	(0.00)	(0.00)	(0.01)
Total assets	108,131	192,301	268,893
Total long –term liabilities	-	-	-
Shareholders' equity	107,517	191,162	261,018
Cash dividends declared - per share	-	-	-

Selected quarterly information

Three months ended	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Total assets	108,131	123,556	148,453	166,968	192,301	218,515	230,477	256,374
Working capital (deficiency)	104,517	119,379	132,454	160,377	188,162	209,513	223,011	247,574
Shareholders' equity	107,517	122,379	135,454	163,377	191,162	212,513	226,011	250,574
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(28,167)	(14,582)	(37,853)	(31,002)	(32,597)	(13,498)	(25,159)	(12,418)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

Fourth quarter results

During the quarter ended December 31, 2017 the Company incurred a loss of $28,167 compared to a loss of $32,597 for the comparative period.

Significant movements for the three month period ended in December 31 2017 were an increase of $1,100 in accounting and legal expenses compared to $Nil in 2016 to $1,100 in 2017, an increase of $1,740 in investor relations from $340 in 2016 to $2,080 in 2017, an increase of $3,500 in consulting from $Nil in 2016 to $3,500 in 2017, a decrease of $6,753 in travel from $6,753 in 2016 to $Nil in 2017 and an increase of $1,969 in share based compensation from $11,345 in 2016 to $13,305 in 2017.

Liquidity

The Company's working capital and deficit positions at December 31, 2017 and December 31, 2016 were as follows:

		December 31 2017		December 31 2016
Working capital	$	104,517	$	188,162
Deficit	$	3,686,186	$	3,573,560

The cash positions at December 31, 2017 and December 31, 2016 were $38,386 and $150,973 respectively.

The Company's financial condition is contingent upon being able to finalize a qualifying project for adding value to the Company.

While the Company will seek to maximize recoveries and reduce operating costs, estimates and assumptions influencing these parameters at the research and development stage may prove incorrect. Incorrect assumptions may result in material differences between estimated and actual results. The Company has no way to predict the future price and the ability to sell the developed products. As a result, revenue derived from future operations, if any, will be impacted.

The Company has historically relied upon equity financings and loans from related parties 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 anticipates it will need additional capital in the future to finance ongoing operations and development, 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 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.

In recent months, the securities markets in the world and in Canada have experienced high volatility in price and volume and companies, particularly in junior technology industry, have experienced unprecedented decline in their share prices 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 the Company's share prices will not occur or that these fluctuations will not affect the ability of the Company to raise equity funding, and if at all, without causing a significant dilution to its existing shareholders. 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.

Capital Resources

At December 31, 2017 the Company had a share capital of $3,216,971 (December 31, 2016: $3,216,971), representing 31,751,977 (December 31, 2016: 31,751,977) common shares without par value, and an accumulated deficit of $3,685,164 (December 31, 2016: $3,573,560). The shareholders' equity amounted to $107,517 (December 31, 2016: $191,162).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations, Comprehensive Loss and Deficit included in its financial statements for the year ended December 31, 2017 and 2016 which are available on SEDAR at www.Sedar.com.

Related Party Transactions

During the year ended December 31, 2017 the Company entered into the following transactions with related parties.

Key Management personnel compensation

No remuneration was paid during the year ended December 31, 2017 and 2016 to any key management personnel except the salary to the Corporate Secretary. The amounts due from (to) related parties were as follows and relate mainly to the reimbursement of in the salary of the Corporate Secretary:

40% from Mineral Hill Industries Ltd.
20% from The Eelleet Network Corp.

Other related party transactions

	December 31 2017	December 31 2016
Consulting fees:		
Chief financial officer	3,500	-

The amounts due to related parties were as follows:

	December 31 2017	December 31 2016
Balances	$	$
Due from related parties:		
The Eelleet Network Corp.	22,993	13,515
Mineral Hill Industries Ltd.	43,466	24,549
	66,459	38,064
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries Ltd.	347	647
	347	647

These transactions are in the normal course of operations and, in management's opinion, are undertaken with the same terms and conditions as transactions with unrelated parties. Accordingly, these transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Advances from related party

During the year ended December 31, 2015, Merfin advanced an additional $25,000 to the Company and the loan balance was fully repaid in August 2015. The Company recorded interest expenses in the amount of $4,937 for the year ended December 31, 2015. No further advances were recorded in 2016 or during the year ended December 31, 2017.

In 2015, the Company disposed of two subsidiaries, Global Environomic Systems Corp. to Mineral Hill Industries Ltd. and Nass Energy Inc., in trust, to two of the Company's directors, for no consideration. Both subsidiaries were inactive and dormant.

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

Off Balance Sheet Arrangements

The Company doesn't have any off balance sheet arrangements.

Directors and Officers

Dieter Peter	President, Chief Executive Officer and Director (Mineral Hill Industries Ltd)
Andrew von Kursell	Director (Mineral Hill Industries Ltd),
Eric Peter-Kaiser	Interim Chief Financial Officer and Director (Mineral Hill Industries Ltd)
Milo Filgas	Director (Mineral Hill Industries Ltd.)
Michael Kelm	Corporate Secretary

Outstanding Share Data as at April 4, 2018

	Number outstanding	Exercise Price	Expiry Date
Common shares	31,751,977(1)		
Common shares issuable on exercise:			
Stock options	372,500(2)	$0.10	April 28, 2018
Stock options	545,000	$0.10	October 25, 2019
Stock options	560,000	$0.10	December 5, 2020
Warrants	11,450,000(1)(4)	$0.10	May 1, 2017
Warrants	1,363,042	$0.10	Jul 19, 2019
Warrants	3,500,000(3)	$0.11	October 16, 2020

(1) In the MD&A dated April 26, 2016 the exercise of 312,225 warrants to the Target-A group was included in the outstanding share data. Since the agreement has not become effective the exercise of the warrants was cancelled and the share data reflects that reversal.
(2) On August 6, 2016, 30 days subsequent to the resumption of trading 214,996, 210,000 and 176,000 options respectively that had been granted to members of advisory committees were cancelled due to Management's decision that no committees excluding the audit committee were necessary at this time.
(3) 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.
(4) On April 28, 2017, warrants issued on May 1, 2012, were extended a length of time equal to the trading halt.

Risks and Uncertainties

The Company's financial success will be dependent upon the successful acquisition of a qualifying project, its subsequent financing and, the commercialization of such projects and their possible end-products. These activities involve significant risks which may not be eliminated even with past experience and knowledge.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- Costs related to disclosure requirements are a financial burden for a company presently depending on equity funding for its working capital.
- An increase in competition to any new project the company may acquire.
- No assurance about the economic viability of any project the Company may acquire.
- Additional costs may be incurred, such as availability of experts related to the acquisition, development and marketing, especially of potentially new generation of products.
- Additional expenditures will be required to establish permits and patents.
- There can be no assurance that a developed business plan will succeed in whole or in part.
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly for most production projects, and the renewal of permits from provincial, territory, First Nations may have to be required.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) *Stock Based Compensation*
The Company uses Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officer, directors and consultants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 7(c) to the financial statements.

(ii) *Financial Instruments*
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

(iii) *Income Taxes*
The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities

(iv) *Going concern*
Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

Financial Instruments

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

Credit risk
The Company is not exposed to significant credit risk, being in the development stage. Amounts receivable from related parties and amounts due to related parties are described in Note 6 to the financial statements.

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 anticipates it will need additional capital in the future to finance ongoing development of its technology, 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 presently no source of operating income and has no assurance that additional funding will be available to it for future 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 its exploration results. In recent years, the securities markets in Canada have experienced wide fluctuations in prices 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.

Changes in Accounting Policies

The Company did not adopt any new or amended accounting standards during the year ended December 31, 2017 which had a significant impact on the Financial Statements.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

The adoption of these standards is not expected to have material impact on the Company's financial statements.

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.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at April 4, 2018.

"Dieter Peter"
On behalf of the Board
Dieter Peter
Chief Executive Officer
April 4, 2018

NASS VALLEY GATEWAY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

NASS VALLEY GATEWAY LTD.

Contents

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Nass Valley Gateway Ltd.

We have audited the accompanying consolidated financial statements of Nass Valley Gateway Ltd. which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained based on our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nass Valley Gateway Ltd. as at December 31, 2016 and 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Nass Valley Gateway Ltd. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 27, 2017

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

	Note	December 31 2016	December 31 2015
		$	$
ASSETS			
Current assets			
Cash and equivalents	4	150,973	245,287
Marketable securities	5	264	264
Amounts receivable from related parties	6	38,064	20,342
		189,301	265,893
Non-current assets			
Reclamation bond		3,000	3,000
		192,301	268,893
LIABILITIES AND DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		1,139	7,875
Shareholders' equity			
Share capital	7	3,216,971	3,216,971
Share based payment reserve		547,751	533,935
Deficit		(3,573,560)	(3,489,888)
		191,162	261,018
		192,301	268,893

Nature of Operations and Going Concern (Note 1)
Subsequent events (Note 12)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on February 27, 2017:

"Dieter Peter"
Dieter Peter, Director

"Andrew von Kursell"
Andrew von Kursell, Director

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

Nass Valley Gateway Ltd.
Consolidated statements of comprehensive loss
(Expressed in Canadian Dollars)

	Note	For the years ended December 31 2016	2015
		$	$
Revenue		-	-
Expenses			
Accounting and legal		17,675	26,574
Investor relations		1,912	7,780
Loan interest expenses and bank charges		198	5,373
Office expenses		4,784	8,451
Rent		4,124	4,422
Share-based payments	7(c)	13,816	208,828
Transfer agent and filing fees		14,660	15,890
Travel and promotion		6,761	515
Wages and salaries		16,707	11,180
Loss before other items		(80,637)	(289,013)
Other items			
Gain on settlement of debt		-	23,781
Gain (loss) on foreign exchange		(3,035)	5,223
Loss on disposal of subsidiaries	8	-	(670)
Unrealized loss on marketable securities	5	-	(2,817)
		(3,035)	25,517
Net loss and comprehensive loss		(83,672)	(263,496)
Net loss per share, basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding		31,751,977	28,462,799

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

Nass Valley Gateway Ltd.
Consolidated statements of changes in equity
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	Note	Share Capital: Number of shares	Share Capital: Amount	Share based payment reserve	Deficit	Total
			$	$	$	$
Balance, December 31, 2014		**27,346,977**	**2,769,580**	**335,998**	**(3,226,392)**	**(120,814)**
Exercise of options	7	355,000	46,391	(10,891)	-	35,500
Exercise of warrants	7	550,000	55,000	-	-	55,000
Share based payments	7(c)	-	-	208,828	-	208,828
Shares issued for cash, net		3,500,000	346,000	-	-	346,000
Comprehensive loss		-	-	-	(263,496)	(263,496)
Balance, December 31, 2015		**31,751,977**	**3,216,971**	**533,935**	**(3,489,888)**	**261,018**
Share based payments	7(c)	-	-	13,816	-	13,816
Comprehensive loss		-	-	-	(83,672)	(83,672)
Balance, December 31, 2016		**31,751,977**	**3,216,971**	**547,751**	**(3,573,560)**	**191,162**

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

Nass Valley Gateway Ltd.
Consolidated statements of cash flows
(Expressed in Canadian Dollars)

	For the years ended December 31	
	2016	**2015**
Cash flows from operating activities	$	$
Net loss for the year	(83,672)	(263,496)
Items not affecting cash:		
Share-based payments	13,816	208,828
Loss on disposal of subsidiaries	-	670
Unrealized loss on marketable securities	-	2,817
Gain on settlement of debt	-	(23,781)
	(69,856)	(74,962)
Changes in non-cash working capital items:		
Amounts receivable	-	53
Accounts payable and accrued liabilities	(6,736)	(22,518)
	(76,592)	(97,427)
Cash flows from financing activity		
Cash from disposal of subsidiaries	-	430
Cash flows from financing activities		
Advances from related parties	(17,722)	(105,870)
Proceeds of loan from Merfin Management Limited	-	25,000
Repayment of loan from Merfin Management Limited	-	(25,000)
Exercise of options	-	35,500
Exercise of warrants	-	55,000
Issuance of shares for cash	-	346,000
	(17,722)	330,630
Change in cash and equivalents	(94,314)	233,633
Cash and equivalents, beginning	245,287	11,654
Cash and equivalents, ending	150,973	245,287
Supplemental disclosures:		
Taxes paid	-	-
Interest paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nass Valley Gateway Ltd. (the "Company" or "NVG") is incorporated under the laws of British Columbia, Canada and its previous principal business activities included acquisition and exploration of mineral properties in Ontario and British Columbia, Canada. The Company's shares are listed on the Canadian Stock Exchange ("CSE") trading under the symbol "NVG". The principal business address of the Company is 1140-13700 Mayfield Place, Richmond, V6V 2E4 British Columbia.

On June 18, 2015 the Company entered into a Definitive Purchase Agreement ("Definitive Agreement") with S.R. Haddon Industries Ltd. ("SRH"), a private company incorporated under the laws of the British Virgin Islands that researches and develops transdermal delivery systems. Under the Definitive Agreement, the Company was to acquire 100% of shares of SRH. During the second quarter of 2016, SRH did not meet the CSE's requirement for listing approval. As a result, the Definitive Agreement was terminated.

Subsequent to the year ended December 31, 2016, on February 15, 2017, the Company entered into a Definitive Asset Purchase Agreement with IXI Treasury Holdings, Ltd., a company incorporated under the Laws of Hong Kong. See Note 12 (a) for details.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern. The net realizable value of the Company's assets may be materially less than the amounts recorded in these consolidated financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2016, the Company had an accumulated deficit of $3,573,560 which has been funded primarily by the issuance of equity. Ongoing operations of the Company are dependent upon the Company's ability to receive continued financial support, complete equity financings and ultimately the generation profitable operations in the future. These factors raise significant doubt about the Company's ability to continue as a going concern.

Basis of measurement and preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

The policies set out in the ensuing paragraphs have been consistently applied to all years presented unless otherwise noted.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Global Environomic Systems Ltd. and Nass Energy Inc. until their disposal dates. Both of these wholly owned subsidiaries were disposed of as disclosed in Note 8.

In preparing the consolidated financial statements, all intercompany balances and transactions among the group entities are eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting judgements and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. The significant judgements and estimates are:

- Share based payments are based upon expected volatility and option life estimates;
- Fair value of options granted;
- Income tax and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next year. Significant judgement areas include:

- Going concern;
- The assessment of the Company's ability to obtain financing to fund future working capital requirements.

c) Cash and equivalents

Cash is comprised of cash on hand and term deposits. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

d) Foreign currency

The presentation and functional currency of the Company and each of its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are retranslated at historical exchange rates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resourced embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

f) Share-based payments

The fair value of stock options granted is measured at grant date using the Black-Scholes option pricing model. Where options are granted to consultants for goods or services rendered, the options are measured at the fair value of the goods or services received by the Company. If the fair value of the goods and services received cannot be reliably measured, the fair value of the stock option granted is used instead. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are expected to ultimately vest is computed. The movement in cumulative expense is recognized in the statement of loss with a corresponding entry within equity, against share based compensation reserve. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received together with any related amount in share based compensation reserve is credited to share capital.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

g) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

i) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting loss nor taxable loss and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loan and receivables, and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments.

- *Financial assets at fair value through profit or loss*

  A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and include cash and equivalents and marketable securities, which are initially recognized at fair value.

- *Loans and receivables*

  Loans and receivables are non derivative financial assets which fixed or determinable payments that are not quoted in an active market. Assets in this category are measured at amortized cost. They are classified as current or non current assets based on their maturity date. Assets in this category include amounts receivable from related parties and are measured at amortized cost less impairment.

- *Available-for-sale financial assets*

  Available-for-sale financial assets are either designated as available for sale or not classified in any other categories. They are initially recognized at fair value plus transaction costs and are subsequently carried at fair value, with unrealized gains and losses recorded in other comprehensive income until disposition or other-than-temporary impairment at which time the gain or loss is recorded in earnings. The Company does not have any available-for-sale financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – this category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities – this category includes accounts payable and due to related parties, which are initially recognized at fair value and subsequently stated at amortized cost. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- Financial assets carried at amortized cost: the loss is the difference between the amortized cost and its value of estimated future cash flows, discounted using the instrument's original effective interest rate;
- Available-for-sale financial assets: The loss is the amount comprising the difference between its original cost and its current fair value, less any impairment previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.

  Reversals of impairment losses on financial assets carried at amortized cost are recorded through the statement of loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss had been recognized. Impairment on available-for-sale instruments is not reversed.

m) Adoption of new pronouncements

The Company did not adopt any new or amended accounting standards during the year ended December 31, 2016 which had a significant 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.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The extent of the impact of adoption of the standard and interpretation on the consolidated financial statements of the Company has not been determined.

(Expressed in Canadian Dollars)

4. CASH AND EQUIVALENT

	December 31, 2016	December 31, 2015
	$	$
Bank	145,973	240,287
Term deposit	5,000	5,000
	150,973	245,287

5. MARKETABLE SECURITIES

	December 31, 2016	December 31, 2015
The Eelleet Network Corp.		
Number of shares	8,802	8,802
	$	$
Book value	264	3,081
Fair value	264	264
Unrealized loss on marketable securities	-	2,817

During the year ended December 31, 2014, The Eelleet Network Corp. issued 8,802 common shares for debt settlement. The fair value of these shares was determined to be $0.35 per share for a total of $3,081 at initial recognition.

As at December 31, 2015, the fair value of these shares was determined to be $0.03 per share for a total of $264. As a result, an unrealized loss on marketable securities in the amount of $2,817 was recorded for the year ended December 31, 2015.

The fair value of the share price remains unchanged as at December 31, 2016.

6. 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 Director members. Key management compensation consists of the following for the year ended December 31, 2016 and 2015:

	2016	2015
Transactions	$	$
Management and office administration fees:		
Paid to a company controlled by the CEO	-	1,862
Salary:		
Paid to the Company's corporate Secretary	16,707	11,878

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

Key Management compensation (continued)

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

	2016	2015
	$	$
Due from related parties:		
The Eelleet Network Corp.	13,515	13,123
Mineral Hill Industries	24,549	7,219
	38,064	20,342
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries	647	1,743
	647	1,743

Advances from related party

During the year ended December 31, 2015, Merfin advanced additional $25,000 to the Company and the loan balance was fully repaid in August 2015. The Company recorded interest expense in the amount of $4,937 for the year ended December 31, 2015.

In 2015, the Company disposed of two subsidiaries, Global Environomic Systems Corp. and Nass Energy Inc., to Mineral Hill for no consideration. Both subsidiaries were inactive and dormant.

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

7. SHARE CAPITAL

a) Authorized share capital

At December 31, 2016, the authorized share capital of the Company was comprised of an unlimited number of common shares at no par value. All issued and outstanding shares are fully paid.

b) Issue of common shares

During the year ended December 31, 2015 the Company issued the following common shares:

(a) The Company issued 355,000 common shares on exercise of 355,000 options at $0.10 per option. $10,891 was reversed from contributed surplus to share capital.

(b) The Company issued 550,000 common shares on exercise of 550,000 warrants at $0.10 per warrant.

(c) On October 16, 2015 the Company closed a private placement of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one common share at a price of $0.20 per warrant until October 16, 2016. No value was allocated to the warrants included in these units as the warrants had no intrinsic value at the time the units were issued. The Company incurred $4,000 in share issuance costs.

7. **SHARE CAPITAL** (continued)

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 August 6, 2016, 30 days subsequent to the resumption of trading, 600,996 options that had been granted to members of advisory and board committees were cancelled due to the Board of Directors' decision that, with the exception of the Audit Committee, the size of the Company's operations did not warrant the reappointment of additional committees at that time.

On October 25, 2016, the Company granted 545,000 stock options to directors, officers and employees. Share-based compensation of $11,345 was recorded. The weighted average fair value of the 585,000 options was $0.04. 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 0.56%, the expected life of 3 years, expected volatility of 264%, forfeiture rate of 0% and expected dividends of $Nil.

During the year ended December 31, 2015, 70,000 stock options were forfeited due to the resignation of the officer and director of the Company.

On April 28, 2015, the Company granted 601,000 stock options to directors, officers and employees and vested in different stages. Share-based compensation of $2,471 (2015 - $39,350) was recorded. The weighted average fair value of the 601,000 options was $0.07. 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 0.90%, the expected life of 3 years, expected volatility of 324%, forfeiture rate of 0% and expected dividends of $Nil.

On November 6, 2015 the Board of Directors passed a resolution to extend the options with an expiry date in 2015 for an amount of time equal to the length of the trading halt which commenced on August 18, 2015. As a result, the extension of the options was considered as a modification of options and share-based compensation of $169,478 was recorded. The weighted average fair value of these modified options was $0.31. 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 0.41%, the expected life of 0.62 years, expected volatility of 377%, forfeiture rate of 0% and expected dividends of $Nil.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Stock options (continued)

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

Expiry Date	Exercise Price $	Dec 31 2015	Granted	Exercised	Expired/ Forfeited	Cancelled	Dec 31 2016
November 12, 2016	0.10	248,329	-	-	33,333	214,996	-
November 12, 2016	0.10	305,000	-	-	95,000	210,000	-
April 28, 2018	0.10	548,500	-	-	-	176,000	372,500
October 25, 2019	0.10	-	545,000	-	-	-	545,000
		1,101,829	545,000	-	128,333	600,996	917,500
Weighted average exercise price							**$0.10**

Expiry Date	Exercise Price $	Dec 31 2014	Granted	Exercised	Expired/ Forfeited	Cancelled	Dec 31 2015
November 12, 2016	0.10	488,329	-	(115,000)	-	(125,000)	248,329
August 28, 2015	0.10	20,000	-	(17,500)	-	(2,500)	-
November 12, 2016	0.10	670,000	-	(170,000)	(70,000)	(125,000)	305,000
April 28, 2018	0.10	-	601,000	(52,500)	-	-	548,500
		1,178,329	601,000	(355,000)	(70,000)	(252,500)	1,101,829
Weighted average exercise price							**$0.10**

Details regarding the options outstanding as at December 31, 2016 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	372,500	1.32	$ 0.07	372,500
$ 0.10	545,000	2.82	$ 0.04	170,000
$ 0.10	917,500	2.21	$ 0.05	542,500

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.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Share purchase warrants

On October 16, 2015 the Company issued 3,500,000 share purchase warrants as part of a private placement as described in Note 7(b). The holder has the right to exchange one warrant for one common share of the Company. The warrants have an exercise price of $0.20 and an expiry on October 16, 2016. On September 16, 2016, the Company amended the expiry date of these warrants to October 16, 2020 and amended the exercise price to $0.11 per warrant. Since there was no value allocated to these warrants upon issued, 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 2015	Granted	Exercised	Expired/ Cancelled	December 31 2016
May 1, 2017	$0.10	11,450,000	-	-	-	11,450,000
July 25, 2019	$0.10	1,363,042	-	-	-	1,363,042
Oct 16, 2020	$0.11	3,500,000	-	-	-	3,500,000
		16,313,042	-	-	-	16,313,042
Weighted average exercise price						$0.10
Weighted average contractual remaining						1.26

Expiry Date	Exercise Price	December 31 2014	Granted	Exercised	Expired/ Cancelled	December 31 2015
June 7, 2015	$0.10	1,133,333	-	-	(1,133,33	-
May 1, 2017	$0.10	12,000,000	-	(550,000)	-	11,450,000
July 25, 2019	$0.10	1,363,042	-	-	-	1,363,042
Oct 16, 2016	$0.20		3,500,000	-	-	3,500,000
		14,496,375	3,500,000	(550,000)	(1,133,33	16,313,042
Weighted average exercise price						$0.12
Weighted average contractual remaining						1.40

8. DISPOSAL OF SUBSIDIARIES

During the year ended December 31, 2015, the Company disposed of two subsidiaries, Global Environomic Systems Corp. and Nass Energy Inc., to an affiliated company for no consideration. The carrying values of these companies was $100 and $1,000 respectively. Both subsidiaries were inactive and dormant, and as a result, a loss of $670 was recognized on disposal of the subsidiaries.

(Expressed in Canadian Dollars)

9. INCOME TAXES

In assessing deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

	For the years ended December 31,	
	2016	**2015**
Canadian statutory income tax rate	26%	26%
	$	$
Income tax recovery at statutory rate	(21,755)	(68,509)
Effect on income taxes of:		
Permanent differences	3,592	54,295
Losses not recognized	18,163	14,214
Income taxes recoverable	-	-

The nature and effect of the Company's deferred tax assets (liabilities) is as follows:

	2016	**2015**
	$	$
Non capital losses carried forward	578,732	559,987
Mineral cost pools in excess of capitalized costs	103,235	103,235
Property and equipment	993	993
Marketable securities	732	732
Share issuance costs	624	1,206
Deferred tax assets	684,316	666,153
Deferred tax assets not recognized	(684,316)	(666,153)
Net deferred tax asset	-	-

As at December 31, 2016, the Company had non-capital losses carried forward of approximately $2,225,895 (2015 - $2,153,798) which may be applied to reduce future years' taxable income, expiring as follows:

2015	$	17,821
2026		246,823
2027		331,504
2028		268,312
2029		205,964
2030		280,124
2031		233,230
2032		223,800
2033		168,579
2034		127,550
2035		50,091
2036		72,097
	$	2,225,895

10. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash and equivalents, marketable securities, amounts receivable from related parties and accounts payable. 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 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.

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

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISKS (continued)

Fair value measurements of financial assets and liabilities (continued)

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 marketable securities, 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 consolidated statements of financial position as of December 31, 2016 as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2016
Cash and equivalents	$ 150,973	–	–	$ 150,973
Marketable securities	$ -	264	-	$ 264

11. CAPITAL MANAGEMENT

The 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 year ended December 31, 2016. 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.

12. SUBSEQUENT EVENTS

(a) On February 8, 2017, the Company entered into a binding Letter of Intent and on February 15, 2017, the Company further entered into a Definitive Asset Purchase Agreement to acquire 100% of IXI Treasury Holdings Limited ("ITHL") in exchange for the issuance of 80,000,000 convertible preferred shares with a deemed value $5.00 per share. Fifty percent of the preferred shares will be issued upon approval by shareholders and the regulatory authorities. The remaining balance of 40,000,000 preferred shares will be issued subsequent to the financing. The Company intends to close a private placement of $2,000,000 of Company bonds or Company common shock to be arranged by ITHL within 120 days of regulatory approval. Within six months from the date of issuance of the second batch of preferred shares, the Company intends to complete a second private placement of $3,000,000 of Company bonds or Company common stocks to be arranged by ITHL. This transaction is subject to the approval of the Exchange.

12. SUBSEQUENT EVENTS (continued)

(a) (continued)
The only significant asset held by ITHL is an investment in a 40% interest in a Brazilian Government Treasury Bond (the "Bond"). The Company will determine how to account for and classify its investment in ITHL upon closing the acquisition.

Upon approval of the transaction, the Company will consolidate its common shares on a 2 to 1 basis such that each shareholder will receive 1 share for every 2 shares currently held and change the name to "IXI Energy Inc." and the trading symbol to "IXE".

(b) On February 8, 2017 the Company granted 85,000 stock options with an exercise price of $0.10 a share and an expected life of three years to a director.

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Nass Valley Gateway Ltd. ("NVG" or the "Company"). The information herein should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016 and 2015. The consolidated financial statements for the year ended December 31, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee. The majority of the audit committee is comprised of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

The reader is encouraged to review the Company's statutory filings on **www.sedar.com** ("Sedar") and to review general information.

Description of Business and Overall Performance

The Company was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG" as a consequence of the new trading symbol system adopted by the CSE. As of October 5, 2007, the Company's common shares are co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are trading under the symbol "3NVN". The Company's common shares are also traded on the Third Market Segment called Freiverkehr on the Berlin-Bremen Stock Exchange.

Between 2010 and 2012, the Company acquired the rights to two green-technology systems, an emission- free energy converting and waste disposal system and a wood drying technology, for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively, and also started negotiations for the exploration and development of geo-thermal energy via its subsidiary Nass Energy Inc.

In order to keep its focus and financing efforts for green energy technologies separate from its mining and exploration activities and concentrate solely on the commercialization of the technologies, Nass Valley transferred the rights of its option to the Kirkland Lake exploration properties into its subsidiary, Kirkland Precious Metals Corp. ("KPM") (subsequently renamed as The Eelleet Network Corp. ("TEN")) and completed a Spin-Off of KPM into a separate reporting exploration company via a Plan of Arrangement.

As the company's efforts to finance a production plant based on its GSC technology system were not successful and its pilot plant based on the MWE technology was completely destroyed by a disastrous fire in 2013, as reported in the Company's monthly report dated Oct. 4, 2013, management investigated projects within the bio-tech industry.

On October 16, 2014 Nass Valley announced that it had entered into a letter agreement granting the Company the exclusive right to acquire a corporation actively involved in the development of medicinal cannabis industry. The letter agreement, which was subject to a "Due Diligence Period", was extended past the original date of December 04, 2014 to allow the financiers additional time to raise the agreed upon financing but was subsequently terminated on Feb 10, 2015.

On May 27, 2015 the Company announced in a news release that it had entered into a letter agreement ("LOI") granting the Company the exclusive right to acquire Target-A, to develop transdermal delivery systems through a contracted third party ("Research-Co") to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD").

On July 07, 2015 Nass Valley announced that it had executed the Definitive Agreement, dated June 15, 2015, with Target-A based on the terms of the LOI.

As Nass Valley's acquisition of Target-A under the terms of the Target-A-Agr was considered a "Fundamental Change" under the rules of the CSE, the trading of the Company's stock was halted on August 18, 2015 until the approval or discontinuance of the transaction. In June 2016 the Target-A wanted to renegotiate the already executed agreement and as the fundamental Change did not receive regulatory approval, the Company was able to discontinue further negotiation with Target-A. As a consequence of NVG's public announcement on July 5, 2016, the Company's stock resumed trading on July 6, 2016.

Nass Valley Gateway completed due diligence on several qualifying target projects during the last year and rejected two more of them as the Board of Directors determined that an integration of those targets would also not have been in the best interest of its shareholders.

Future Developments

The Company and its management are determined to focus on qualifying Clean-Tech projects, and is looking forward to the regulatory approval of its presently proposed acquisition of IXI Treasury Holdings Limited ("ITHL").

On February 8, 2017, the Company entered into a binding Letter of Intent and on February 15, 2017, the Company further entered into a Definitive Asset Purchase Agreement (the "DAP-Agr") to acquire 100% of ITHL. ITHL is a private company owning 40% of a Brazilian Government Treasury Bond with an confirmed converted asset value of more than $800 Million in face value (the "ITHL-Asset"), in exchange for the issuance of nonvoting convertible Preferred Class-A shares, of Series 1 and Series 2, with a deemed value CAD 5.00 per Class-A share of both Series. The discounted value of this ITHL-Asset is considered as $400 Million. Under the terms of the DAP-Agr, fifty percent (50%) of the committed Pref-A1 Shares will be issued by Nass Valley upon approval of its shareholders and the regulatory authorities with the balance, as Pref-A2 Shares, to be issued subsequent to ITHL's committed completion of the first stage of a financing for a total financing of $2,000,000 and, all Pref-A Shares are convertible at a ratio of 1:1 (one Pref-A Share for one NVG common share) but only if the combined conversion of all Pref-A shares issued to the shareholders of ITHL do not trigger an RTO.

As the ITHL-Assets can be used by Nass Valley to serve as security for issuing its own corporate bonds for funding investments and development of renewable and waste to energy projects, they will provide the Company with very attractive financing alternatives, compared to diluting equity issues. The Resulting Issuer will focus on its objectives to remain within the "Clean Tech" segment of the industry.

At the request of the Company in line with the rules of the CSE, the trading of its stock was halted on February 8, 2017 pending news of the signing of the DAP-Agr and regulatory approval by the CSE.

Highlights and Subsequent Events

The following are highlights of events occurring subsequently to the "Trading Halt" of the Company's stock.

On September 15, 2015, the Company announced that it had closed a private placement consisting of 3,500,000 units at a subscription price of $0.10 per unit for working capital and, subsequent to the transaction approval by the CSE (the "Effective-Date"), also for its first phase payments as part of its announced acquisition of Target-A. On September 23, 2015 the Company filed a Form 2A - Listing Statement with the CSE in regard to the acquisition of Target-A, that was considered to be a RTO and a "Fundamental Change" of Nass Valley's business direction. In reacting to the CSE's concern about the knowledge base of Target-A's management and board of directors, Target-A engaged two scientists respectively as Chief Scientific Consultant and Director of Target-A. Because of the approval delay, Target-A informed the Company that it would proceed to finance the development and patent application for its transdermal delivery systems via its Research-Co and Target-A's CEO assured Nass Valley that the ongoing development and patent application financed by Target-A at that time for its project would not change any of the acquisition terms of the Target-A-Agr.

As a consequence of the terms under the executed Target-A-Agr and with the consent of the Board of Directors, the Company disposed of its three dormant subsidiaries by deregistering "M-Wave EnviroTech Inc" in 2015 and transferring "Global Environomic Systems Corp." and "Nass Energy Inc." respectively to an affiliated company and its executive management in trust to be transferred into an affiliated company at no cost.

On March 17, 2016 an updated Listing Statement was submitted to the CSE through Target-A's Canadian attorney.

Subsequently to the submission of the updated Listing Statement, the CSE, as part of its approval process, requested documentation on the availability of working capital for the following twelve months. In response to the request, the CEO of Target-A and the President of Merfin Management Limited ("Merfin"), a substantial shareholder of the Company, (jointly referred to as the "Committing Parties") committed to each exercise 1,500,000 outstanding warrants at $0.10 per warrant upon resumption of trading. The CSE accepted the financing proposal submitted by the Committing Parties under the condition that the Warrants would be exercised before the requested "Trading Halt" of the Company's stock would be lifted. In order to comply with the CSE's imposed condition, the Committing Parties agreed to invoke a small amendment to the Target-A-Agr (the "Amendment-1") in respect to the Company's outstanding share purchase warrants (the "Warrants") which, under the Target-A-Agr, were to be transferred from Merfin to the CEO of Target-A subsequent to the Effective-Date.

As a consequence of the proposed Amendment-1 agreed upon by the Committing Parties, the Company, as at April 26, 2016, had received $31,222.50, the equivalent of USD $25,000, from Target-A's USA legal advisor to be applied to the exercise of 312,225 warrants for use of the Company's post-approval working capital and earmarked as further payment due under Target-A's development contract with Research-Co. Nass Valley forwarded this payment via electronic transfer on behalf of Target-A into the account of Target-A's contracted development company as advised by Target-A's CEO and its USA legal advisor. However, the Amendment-1 was never executed by the Committing Parties and, as such, never came into effect. Accordingly, the exercise of previously mentioned 312,225 warrants by the "Target-A" group was cancelled and the received funds of USD $25,000 were returned to the Target-A Group via a payment to Research-Co on behalf of the Target-A Group.

On April 25, 2016, the Company received notice from Target-A's legal advisor that Target-A would no longer accept the terms of the executed Target-A-Agr. Target-A also appointed an advisor (the "Senior-Advisor") to renegotiate the agreed upon terms of the Target-A-Agr. The Senior-Advisor reconfirmed in May 2016, via several written statements, that the terms of the Target-A-Agr would not be accepted by Target-A, unless they were substantially changed. The Company also received proposals from Target-A's Senior-Advisor that it deemed to be unacceptable, as the terms proposed by Target-A are diametrically opposed to the executed Target-A-Agr and not in the best interest of the Company's shareholders. On July 5, 2016 the Company announced in a news release that the acquisition of Target-A did not receive regulatory approval and therefore the Target-A-Agr had not become effective and Nass Valley would no longer pursue an acquisition of Target-A. Trading of the Company's shares resumed on July 6, 2016.

Financing

During the year ended December 31, 2016 no new equity financing was obtained.

During the year ended December 31, 2015 the Company received $55,000 and $35,500 through the exercise of share purchase warrants and stock options respectively.

Subsequent to the submission of the amended Listing Statement in March 2016, the CSE, as part of the approval process, requested documentation on the availability of working capital for the following twelve months. In response to the request, the CEO of Target-A and the President of Merfin, a substantial shareholder of the Company (jointly referred to as the "Committing Parties"), committed to each exercise 1,500,000 warrants at $0.10 per warrant upon the resumption of trading. The CSE accepted this commitment of the Committing Parties under the condition that the warrants would be exercised before the requested trading halt of the Company's stock would be lifted. In order to comply with the CSE's imposed condition, the Committing Parties agreed to invoke a small amendment to the Target-A-Agr (the "Amendment-1") in respect to the Company's outstanding share purchase warrants (the "Warrants") which, under the Target-A-Agr, were to be transferred from Merfin to Target-A's CEO subsequent to the Effective-Date.

Following the proposed Amendment-1, which was agreed upon by the Committing Parties, the Company, as at April 26, 2016, had received $31,222.50, the equivalent of USD $25,000, from Target-A's USA legal advisor to be applied to the exercise of 312,225 warrants for use of the Company's post-approval working capital and earmarked as further payment due under Target-A's development contract with Research-Co. Nass Valley forwarded this payment in full, via electronic transfer on behalf of Target-A, into the account of Target-A's Research-Co at the request of Target-A's CEO and its USA legal advisor. However, the Amendment-1 was never executed by the Committed Parties and, as such, never came into effect.

In accordance with the opinion of the Company's attorney that the Target-A-Agr had never become effective, since the transaction did not meet the CSE's requirements for listing approval, the exercise of the previously mentioned 312,225 warrants by the "Target-A" group was cancelled and the received funds of USD 25,000 were returned to the Target-A Group via a payment to Target-A's Research-Co as a continuing payment on behalf of the Target-A.

On September 15, 2015 the Company announced in a news release that it has closed the private non-brokered placement and received subscriptions for 3,500,000 common shares for $350,000. As at October 16, 2015, all funds have been received and a treasury order issued.

During the year ended December 31, 2015, the Company borrowed $25,000 from a related party and repaid the loan in full on August 05, 2015. As at December 31, 2015, the balance of the outstanding loan to Merfin was $Nil. Due to the high interest in the Company's "Target-A" project, as described below, certain options and warrants were exercised enabling the Company to repay its outstanding debt in full.

Results of Operations

The year ended December 31, 2016 compared to the year ended December 31, 2015

Net loss and comprehensive loss for the year ended December 31, 2016 amounted to $83,672 (loss per share - $0.00) compared to $263,496 (loss per share - $0.01) in the previous year. As the Company is inactive, no revenue was generated. The decrease in loss of $179,824 was mainly due to:

(i) a decrease of $5,175 in interest expenses from $5,373 in 2015 to $198 in 2016 due to the Company paying off its debt to Merfin;
(ii) a decrease of $8,899 in accounting and legal from $26,574 in 2015 to $17,675 in 2016 due to a reduction in legal fees;
(iii) a decrease in share based payments of $195,012 from $208,828 in 2015 to $13,816 in 2016. Because of the trading halt in 2015 the extension of certain options resulted in the increase in share based compensation;
(iv) an increase of $5,527 in wages and salaries from $11,180 in 2015 to $16,707 in 2016;
(v) an increase of 6,246 in travel and promotion from 515 in 2015 to 6,761 in 2016 due to travel in regards to conduct the Company's due diligence on different projects;
(vi) a decrease of $8,358 in "gain on foreign exchange" from a gain of $5,223 in 2015 to a loss of $3,035 in 2016.

Selected annual information

	Years Ended December 31		
	2016	2015	2014
	$	$	$
Total revenues	-	-	-
General and administrative	80,637	289,013	120,246
Loss for the year	(83,627)	(263,496)	(139,171)
Loss per share – basic	(0.00)	(0.01)	(0.01)
Loss per share – diluted	(0.00)	(0.01)	(0.01)
Total assets	192,301	268,893	23,827
Total long –term liabilities	-	-	-
Shareholders' deficiency	191,162	261,018	(120,814)
Cash dividends declared - per share	-	-	-

Selected quarterly information

	2016				2015			
Three months ended	Dec 31 2016	Sep 30 2016	June 30 2016	Mar 31 2016	Dec 31 2015	Sep 30 2015	June 30 2015	Mar 31 2015
Total assets	192,301	218,515	230,477	256,374	268,893	267,007	25,175	27,068
Working capital (deficiency)	188,162	209,513	223,011	247,574	258,018	261,311	(153,999)	(136,329)
Shareholders' deficiency	191,162	212,513	226,011	250,574	261,018	264,311	(150,999)	(133,329)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(32,597)	(13,498)	(25,159)	(12,418)	(191,527)	(19,773)	(39,681)	(12,515)
Earnings (loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Fourth quarter results

During the quarter ended December 31, 2016 the Company incurred a loss of $32,597 compared to a loss of $191,527 for the comparative period.

Significant movements for the three month period ended in December 31, 2016 were a decrease of $162,890 in share based compensation from $174,235 for the three month period ended in December 31, 2015 to $11,345 for comparative period in 2016; an increase of $6,238 in travel and promotion from $515 in 2015 to $6,753 in 2016.

Liquidity

The Company's working capital and deficit positions at December 31, 2016 and December 31, 2015 were as follows:

		December 31 2016		December 31 2015
Working capital (deficiency)	$	188,162	$	258,018
Deficit	$	3,573,560	$	3,489,888

The cash positions at December 31, 2016 and 2015 were $150,973 and $245,287 respectively.

The Company's financial condition is contingent upon being able to find a qualifying project for adding value to the Company.

While the Company will seek to maximize recoveries and reduce operating costs, estimates and assumptions influencing these parameters at the research and development stage may prove incorrect. Incorrect assumptions may result in material differences between estimated and actual results. The Company has no way to predict the future price and the ability to sell the developed products. As a result, revenue derived from future operations, if any, will be impacted.

The Company has historically relied upon equity financings and loans from related parties 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 anticipates it will need additional capital in the future to finance ongoing operations and development, 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 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.

In recent months, the securities markets in the world and in Canada have experienced high volatility in price and volume and companies, particularly in junior technology industry, have experienced unprecedented decline in their share prices 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 the Company's share prices will not occur or that these fluctuations will not affect the ability of the Company to raise equity funding, and if at all, without causing a significant dilution to its existing shareholders. 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.

Capital Resources

At December 31, 2016 the Company had a share capital of $3,216,971 (December 31, 2015: $3,216,971), representing 31,751,977 (December 31, 2015: 31,751,977) common shares without par value, and an accumulated deficit of $3,573,560 (December 31, 2015: $3,489,888). The shareholder's equity amounted to $191,162 (December 31, 2015: $261,018).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Operations, Comprehensive Loss and Deficit included in its consolidated financial statements for the years ended December 31, 2016 and 2015 which are available on SEDAR at www.Sedar.com.

Related Party Transactions

During the year ended December 31, 2016 the Company entered into the following transactions with related parties.

Key Management personnel compensation

No remuneration was paid during the year ended December 31, 2016 and 2015 to any key management personnel except the salary to the Corporate Secretary. The amounts due from (to) related parties were as follows and relate mainly to the reimbursement of equal shares in the salary of the Corporate Secretary up the end of June 30, 2016. From July 1, 2016 the reimbursement changed to 40% and 20% by Mineral Hill Industries Ltd and The Eelleet Network Corp, respectively.

Other related party transactions

In accordance to the executed Target-A-Agr, the Company transferred its dormant subsidiary Global Environomic Systems Corp. at no cost to Mineral Hill Industries Ltd., a public company affiliated by common directors and transferred its dormant subsidiary Nass Energy Inc. in trust with two executive directors to be transferred at their best effort, and at no cost to an affiliated company, at a later date or deregister that subsidiary if necessary.

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

	December 31 2016	December 31 2015
Transactions	$	$
Management and office administration fees:		
A company controlled by the CEO	-	11,139
Salary:		
Corporate Secretary	16,707	26,998

The amounts due (to) related parties were as follows and relate mainly to the reimbursement of respective shares in the salary of the Corporate Secretary.

	December 31 2016	December 31 2015
Balances	$	$
Due from related parties:		
The Eelleet Network Corp.	13,515	13,123
Mineral Hill Industries Ltd.	24,549	7,219
	38,064	20,342
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries Ltd.	647	1,743
	647	1,743

These transactions are in the normal course of operations and, in management's opinion, are undertaken with the same terms and conditions as transactions with unrelated parties. Accordingly, these transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Advances from related party

As at December 31, 2014, the Company had a loan payable in the amount of $88,455 to Merfin, a private company with a common director. The loan was unsecured, bore interest at 8.50% per annum and was due on demand. On December 29, 2014, the Company settled $195,000 by issuing 2,437,500 common shares, at a fair value of $0.08 per share. The loan was fully repaid during the year ended December 31, 2015. The Company recorded interest expense in the amount of $4,937 for the year ended December 31, 2015. As at December 31, 2016 there were no further loans from Merfin.

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

Off Balance Sheet Arrangements

The Company doesn't have any off balance sheet arrangements.

Directors and Officers

Dieter Peter	President, Chief Executive Officer and Director (Mineral Hill Industries Ltd)
Andrew von Kursell	Director (Mineral Hill Industries Ltd),
Eric Peter-Kaiser	Interim Chief Financial Officer and Director (Mineral Hill Industries Ltd)
Milo Filgas	Director (Mineral Hill Industries Ltd.)
James Holmes	Director, appointed February 15, 2017
Michael Kelm	Corporate Secretary

Outstanding Share Data as at February 27, 2016

	Number outstanding	Exercise Price	Expiry Date
Common shares	31,751,977(1)		
Common shares issuable on exercise:			
Stock options	372,500(2)	$0.10	April 28, 2018
Stock Options	545,000	$0.10	October 25, 2019
Stock Options	85,000	$0.10	February 8, 2020
Warrants	11,450,000(1)	$0.10	May 1, 2017
Warrants	1,363,042	$0.10	Jul 19, 2019
Warrants	3,500,000(3)	$0.11	October 16, 2020

(1) In the MD&A dated April 26, 2016 the exercise of 312,225 warrants to the Target-A group was included in the outstanding share data. Since the agreement has not become effective the exercise of the warrants was cancelled and the share data reflects that reversal.
(2) On August 6, 2016, 30 days subsequent to the resumption of trading 214,996, 210,000 and 176,000 options respectively that had been granted to members of advisory committees were cancelled due to Management's decision that no committees excluding the audit committee were necessary at this time.
(3) 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.

On November 6, 2015 the Board of Directors passed a resolution to extend all stock options by the number of calendar days equal to the trading halt since August 18, 2015. As a result of this modification, share-based compensation in the amount of $169,478 was recorded in 2015. These options expired on November 12, 2016.

Risks and Uncertainties

The Company's financial success will be dependent upon the successful acquisition of a qualifying project, its, subsequent financing and, commercialization of such projects and its possible end-products. These activities involve significant risks which may not be eliminated even with past experience and knowledge.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- Costs related to disclosure requirements are a financial burden for a company presently depending on equity funding for its working capital.
- An increase in competition to any new project the company may and is in the process of acquiring.
- No assurance about the economic viability of the project the Company is acquiring.
- Additional costs may be incurred, such as availability of experts related to the acquisition, development and marketing, especially of potentially new generation of products.
- Additional expenditures will be required to establish permits and patents;
- There can be no assurance that a developed business plan will succeed in whole or in part;
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly for most production projects, and the renewal of permits from provincial, territory, First Nations may have to be required.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) Stock Based Compensation
The Company uses Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officer, directors and consultants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 7(c) to the financial statements

(ii) Financial Instruments
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

(iii) *Income Taxes*
The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities

(iv) *Going concern*
Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

Financial Instruments

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

Credit risk
The Company is not exposed to significant credit risk, being in the development stage. Amounts receivable from related parties are described in Note 6 in the financial statements.

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 anticipates it will need additional capital in the future to finance ongoing development of its

technology, 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 presently no source of operating income and has no assurance that additional funding will be available to it for future 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 its exploration results. In recent years, the securities markets in Canada have experienced wide fluctuations in prices 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.

Changes in Accounting Policies

The Company did not adopt any new or amended accounting standards during the year ended December 31, 2016 which had a significant impact on the Financial Statements.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at February 27, 2017.

"Dieter Peter"
On behalf of the Board
Dieter Peter
Chief Executive Officer
February 27, 2017

NASS VALLEY GATEWAY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2015 and 2014

(Expressed in Canadian Dollars)

NASS VALLEY GATEWAY LTD.

Contents

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Nass Valley Gateway Ltd.

We have audited the accompanying consolidated financial statements of Nass Valley Gateway Ltd. which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nass Valley Gateway Ltd. as at December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Nass Valley Gateway Ltd. to continue as a going concern.

/S/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
March 4, 2016

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

	Note	December 31 2015	December 31 2014
		$	$
ASSETS			
Current assets			
Cash and equivalents	4	245,287	11,654
Marketable securities	5	264	3,081
Amounts receivable		-	53
Amounts receivable from related parties	6	20,342	6,039
		265,893	20,827
Non-current assets			
Reclamation bond		3,000	3,000
		268,893	23,827
LIABILITIES AND DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		7,875	55,961
Due to related parties	6	-	88,680
		7,875	144,641
Shareholders' equity (deficiency)			
Share capital	7	3,216,971	2,769,580
Share based payment reserve		533,935	335,998
Deficit		(3,489,888)	(3,226,392)
		261,018	(120,814)
Non-controlling interest	2(a)	-	-
		261,018	
		268,893	23,827

Nature of Operations and Going Concern (Note 1)
Commitments (Note 12)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on March 4, 2016:

"Dieter Peter"
Dieter Peter, Director

"Andrew von Kursell"
Andrew von Kursell, Director

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

Nass Valley Gateway Ltd.
Consolidated statements of comprehensive loss
(Expressed in Canadian Dollars)

	Note	For the years ended December 31 2015	2014
		$	$
Revenue		-	-
Expenses			
Accounting and legal		26,574	11,385
Administrative services		-	11,139
Investor relations		7,780	11,728
Loan interest expenses and bank charges	6 and 7(d)	5,373	30,043
Office expenses		8,451	3,490
Rent		4,422	8,833
Share-based payments	7(c)	208,828	2,729
Transfer agent and filing fees		15,890	13,901
Travel and promotion		515	-
Wages and salaries		11,180	26,998
Loss before other items		(289,013)	(120,246)
Other items			
Gain (loss) on settlement of debt		23,781	(18,925)
Gain on foreign exchange		5,223	-
Loss on disposal of subsidiaries	8	(670)	-
Unrealized loss on marketable securities	5	(2,817)	-
		25,517	(18,925)
Net loss and comprehensive loss		(263,496)	(139,171)
Net loss and comprehensive loss attributable to:			
Controlling interest		(263,496)	(139,171)
Non-controlling interest		-	-
		(263,496)	(139,171)
Net loss per share, basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding		28,462,799	24,506,496

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

Nass Valley Gateway Ltd.
Consolidated statements of changes in equity
For the years ended December 31, 2015 and 2014
(Expressed in Canadian Dollars)

	Note	Share Capital: Number of Shares	Share Capital: Amount	Share based payment reserve	Deficit	Total
			$	$	$	$
Balance, December 31, 2013		**24,417,083**	**2,532,566**	**322,958**	**(3,087,221)**	**(231,697)**
Shares issued for rent	7(b)	131,119	13,112	-	-	13,112
Shares issued for debt settlement	7(b)	2,798,775	223,902	-	-	223,902
Share-based payments	7(c) & (d)	-	-	13,040	-	13,040
Comprehensive loss		-	-	-	(139,171)	(139,171)
Balance, December 31, 2014		**27,346,977**	**2,769,580**	**335,998**	**(3,226,392)**	**(120,814)**
Exercise of options	7	355,000	46,391	(10,891)	-	35,500
Exercise of warrants	7	550,000	55,000	-	-	55,000
Share based payments	7(c)	-	-	208,828	-	208,828
Shares issued for cash, net		3,500,000	346,000	-	-	346,000
Comprehensive loss		-	-	-	(263,496)	(263,496)
Balance, December 31, 2015		**31,751,977**	**3,216,971**	**533,935**	**(3,489,888)**	**261,018**

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

Nass Valley Gateway Ltd.
Consolidated statements of cash flows
(Expressed in Canadian Dollars)

	For the years ended December 31	
	2015	**2014**
Cash flows from operating activities	$	$
Net loss for the year	(263,496)	(139,171)
Items not affecting cash:		
Share-based payments	208,828	13,040
Loss on disposal of subsidiaries	670	-
Unrealized loss on marketable securities	2,817	-
Accrued interest on loans from related party	-	19,306
Issuance of shares for rent	-	13,112
(Gain) loss on settlement of debt	(23,781)	18,925
	(74,962)	(74,788)
Changes in non-cash working capital items:		
Amounts receivable	53	1,053
Accounts payable and accrued liabilities	(22,518)	(27,883)
Due to related parties	-	5,780
	(97,427)	(95,838)
Cash flows from financing activity		
Cash from disposal of subsidiaries	430	-
Cash flows from financing activities		
Advances from related parties	(105,870)	99,869
Proceeds of loan from Merfin Management Limited	25,000	-
Repayment of loan from Merfin Management Limited	(25,000)	-
Exercise of options	35,500	-
Exercise of warrants	55,000	-
Issuance of shares for cash	346,000	-
	330,630	99,869
Change in cash and equivalents	233,633	4,031
Cash and equivalents, beginning	11,654	7,623
Cash and equivalents, ending	245,287	11,654
Supplemental disclosures:		
Taxes paid	-	-
Interest paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nass Valley Gateway Ltd. (the "Company" or "NVG") is incorporated under the laws of British Columbia, Canada and its previous principal business activities included acquisition and exploration of mineral properties in Ontario and British Columbia, Canada. The Company's shares are listed on the Canadian Stock Exchange ("CSE") trading under the symbol "NVG". The principal business address of the Company is 1140-13700 Mayfield Place, Richmond, V6V 2E4 British Columbia.

On June 18, 2015 the Company entered into a Definitive Purchase Agreement ("Definitive Agreement") with S.R. Haddon Industries Ltd. ("SRH"), a private company incorporated under the laws of the British Virgin Islands that researches and develops transdermal delivery systems. Under the Definitive Agreement, the Company will acquire 100% of shares of SRH (see Note 12(a)).

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern. The net realizable value of the Company's assets may be materially less than the amounts recorded in these consolidated financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2015, the Company had an accumulated deficit of $3,489,888 which has been funded primarily by the issuance of equity. Ongoing operations of the Company are dependent upon the Company's ability to receive continued financial support, complete equity financings, the successful commercialization of its new technologies and ultimately the generation profitable operations in the future. These factors raise significant doubt about the Company's ability to continue as a going concern.

Basis of measurement and preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value.

The policies set out in the ensuing paragraphs have been consistently applied to all years presented unless otherwise noted.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Global Environomic Systems Ltd. and Nass Energy Ltd. Both of these wholly owned subsidiaries were disposed of as disclosed in Note 8. They also include the assets and operations of M-Wave EnviorTech Inc., an entity which NVG has 60% ownership, up to January 8, 2014.

In preparing the consolidated financial statements, all intercompany balances and transactions among the group entities are eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Principles of consolidation (continued)

Non-controlling interests are net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statements of comprehensive loss, changes in equity and financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary.

The continuity of the non-controlling interest is comprised as follows:

	$
Balance, December 31, 2013	400
Termination of joint-venture	(400)
Balance, December 31, 2014 and 2015	-

b) Significant accounting judgements and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. The significant judgements and estimates are:

- Share based payments are based upon expected volatility and option life estimates;
- Fair value of warrants issued;
- The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities;
- Going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting judgements and estimates (continued)

The assessment of the Company's ability to develop the market and commercialize new technologies and obtain financing to fund future working capital requirements involves judgement. Judgments made by management that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment include the going concern assumption.

c) Cash and equivalents

Cash is comprised of cash on hand and term deposits. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

d) Foreign currency

The presentation and functional currency of the Company and each of its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a currency other than the functional currency are retranslated at historical exchange rates.

e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resourced embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

f) Share-based payments

The fair value of stock options granted is measured at grant date using the Black-Scholes option pricing model. Where options are granted to consultants for goods or services rendered, the options are measured at the fair value of the goods or services received by the Company. If the fair value of the goods and services received cannot be reliably measured, the fair value of the stock option granted is used instead. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are expected to ultimately vest is computed. The movement in cumulative expense is recognized in the statement of loss with a corresponding entry within equity, against share based compensation reserve. No expense is recognized for awards that do not ultimately vest. When options are exercised, the proceeds received together with any related amount in share based compensation reserve is credited to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share-based payments (continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

g) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

h) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

i) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting loss nor taxable loss and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Income taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loan and receivables, and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments.

- *Financial assets at fair value through profit or loss*

  A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and include cash and equivalents and marketable securities, which are initially recognized at fair value.

- *Loans and receivables*

  Loans and receivables are non derivative financial assets which fixed or determinable payments that are not quoted in an active market. Assets in this category are measured at amortized cost. They are classified as current or non current assets based on their maturity date. Assets in this category include amounts receivable from related parties and are measured at amortized cost less impairment.

- *Available-for-sale financial assets*

  Available-for-sale financial assets are either designated as available for sale or not classified in any other categories. They are initially recognized at fair value plus transaction costs and are subsequently carried at fair value, with unrealized gains and losses recorded in other comprehensive income until disposition or other-than-temporary impairment at which time the gain or loss is recorded in earnings. The Company does not have any available-for-sale financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – this category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities – this category includes accounts payable and due to related parties, which are initially recognized at fair value and subsequently stated at amortized cost. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position.

l) Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

- Financial assets carried at amortized cost: the loss is the difference between the amortized cost and its value of estimated future cash flows, discounted using the instrument's original effective interest rate;
- Available-for-sale financial assets: The loss is the amount comprising the difference between its original cost and its current fair value, less any impairment previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net loss.

  Reversals of impairment losses on financial assets carried at amortized cost are recorded through the statement of loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss had been recognized. Impairment on available-for-sale instruments is not reversed.

m) Adoption of new pronouncements

The Company adopted the following accounting policies effective January 1, 2015:

IFRIC 21 Levies - In May 2013, the IASB issued IFRIC 21, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past activity or event ("obligating event") described in the relevant legislation that triggers the payment of the levy.

IAS 32 – Financial Instruments: Presentation - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Adoption of new pronouncements (continued)

IAS 36 Impairment of Assets - In May 2013, the IASB issued amendments to IAS 36 which restricts the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal.

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.

New accounting standards effective for annual periods on or after January 1, 2017:

IAS 1 – Presentation of Financial Statements
In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 16 – Property, Plant and Equipment and **IAS 38 – Intangible Assets**
In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

(Expressed in Canadian Dollars)

4. CASH AND EQUIVALENT

	December 31, 2015	December 31, 2014
	$	$
Bank	240,287	6,654
Term deposit	5,000	5,000
	245,287	11,654

5. MARKETABLE SECURITIES

	December 31, 2015	December 31, 2014
The Eelleet Network Corp.		
Number of shares	8,802	8,802
	$	$
Book value	3,081	3,081
Fair value	264	3,081
Unrealized loss on marketable securities	2,817	-

During the year ended December 31, 2014, The Eelleet Network Corp. (formerly Kirkland Precious Metal Corp.) ("Eelleet") settled $22,006 in amounts payable to the Company by issuing 8,802 common shares (440,120 common shares pre-consolidated). The fair value of these shares was determined to be $0.35 ($0.007 per share pre-consolidated) for a total of $3,081. As a result, a loss on settlement of debt of $18,925 was recorded.

As at December 31, 2015, the fair value of these shares was determined to be $0.03 per share for a total of $264. As a result, an unrealized loss on marketable securities in the amount of $2,817 was recorded for the year ended December 31, 2015.

6. 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 Director members. Key management compensation consists of the following for the year ended December 31, 2015 and 2014:

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

Key Management compensation (continued)

	2015	2014
Transactions	$	$
Management and office administration fees:		
Paid to a company controlled by the CEO	1,862	11,139
Salary:		
Paid to the Company's corporate Secretary	11,878	26,998

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

Due from related parties:		
The Eelleet Network Corp.	13,123	5,904
Mineral Hill Industries	7,219	-
Global Environment Systems Corp.	-	135
	20,342	6,039
Due to related parties:		
Merfin Management Limited ("Merfin") (see below)	-	(88,455)
Mineral Hill Industries ("Mineral Hill")	-	(225)
	-	(88,680)
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries	1,743	1,788
	1,743	1,788

Advances from related party

On December 29, 2014, the Company settled loan payable to Merfin, a private company with a common director, in the amount of $195,000 by issuing 2,437,500 common shares, at a fair value of $0.08 per share (see also Note 7(b)). The loan was unsecured, bore interest at 8.50% per annum and was due on demand. The Company also issued 1,363,042 bonus warrants to Merfin on July 25, 2014 as a bonus interest expense (see also Note 7(d)).

In addition, during the year ended December 31, 2014, the Company also settled the loan payable to Mineral Hill in the amount of $25,000 by issuing 312,500 common shares, at a fair value of $0.08 per share (see also Note 7).

During the year ended December 31, 2015, Merfin advanced additional $25,000 to the Company and the loan balance was fully repaid in August 2015. The Company recorded interest expense in the amount of $4,937 (2014 - $19,306) for the year ended December 31, 2015.

In 2015, the Company disposed of two subsidiaries, Global Environomic Systems Corp. and Nass Energy Inc., to Mineral Hill for no consideration. Both subsidiaries were inactive and dormant.

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

7. SHARE CAPITAL

a) Authorized share capital

At December 31, 2015, the authorized share capital of the Company was comprised of an unlimited number of common shares at no par value. All issued and outstanding shares are fully paid.

b) Issue of common shares

During the year ended December 31, 2015 the Company issued the following common shares:

(a) The Company issued 355,000 common shares on exercise of 355,000 options at $0.10 per option. $10,891 was reversed from contributed surplus to share capital.

(b) The Company issued 550,000 common shares on exercise of 550,000 warrants at $0.10 per warrant.

(c) On October 16, 2015 the Company closed a private placement of 3,500,000 units at a price of $0.10 per unit for gross proceeds of $350,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one common share at a price of $0.20 per warrant until October 16, 2016. No value was allocated to the warrants included in these units as the warrants had no intrinsic value at the time the units were issued. The Company incurred $4,000 in share issuance costs.

During the year ended December 31, 2014 the Company issued the following common shares:

(d) 2,437,500 common shares to Merfin Management Limited at a fair value of $0.08 per share as debt settlement of $195,000 (see also Note 6).

(e) 312,500 common shares to Mineral Hill Industries Ltd. at a fair value of $0.08 per share as debt settlement of $25,000 (see also Note 6).

(f) 48,775 common shares to Mr. Stuart Jackson at a fair value of $0.08 per share as debt settlement of $3,902.

No gain or loss has been recorded on the above noted transactions as they were considered to be transactions with counterparties in their capacities as shareholders and accordingly were accounted as equity transactions.

On March 7, 2014, the Company issued 131,119 common shares, valued at $13,112, to the Company's Landlord as payment for its rent expense for the period from December 2013 to November 2014. The common shares were issued at a price of $0.10 which was considered their fair value.

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.

(Expressed in Canadian Dollars)

7. **SHARE CAPITAL** (continued)

c) **Stock options** (continued)

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.

During the year ended December 31, 2014, 280,000 stock options were forfeited due to the resignation of the officer and director of the Company.

On April 28, 2015, the Company granted 601,000 stock options to directors, officers and employees. Share-based compensation of $39,350 was recorded. The weighted average fair value of the 601,000 options was $0.07. 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 0.90%, the expected life of 3 years, expected volatility of 324%, forfeiture rate of 0% and expected dividends of $Nil.

On November 6, 2015 the Board of Directors passed a resolution to extend the options with an expiry date in 2015 for an amount of time equal to the length of the trading halt which commenced on August 18, 2015. As a result, the extension of the options was considered as a modification of options and share-based compensation of $169,478 was recorded. The weighted average fair value of these modified options was $0.31. 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 0.41%, the expected life of 0.62 years, expected volatility of 377%, forfeiture rate of 0% and expected dividends of $Nil.

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

Expiry Date	Exercise Price $	2014	Granted	Exercised	Expired/ Forfeited	Cancelled	2015
November 12, 2016	0.10	488,329	-	(115,000)	-	(125,000)	248,329
August 28, 2013	0.10	20,000	-	(17,500)	-	(2,500)	-
November 12, 2016	0.10	670,000	-	(170,000)	(70,000)	(125,000)	305,000
April 28, 2018	0.10	-	601,000	(52,500)	-	-	548,500
			601,000	(355,000)	(70,000)	(252,500)	1,101,829
Weighted average exercise price							**$0.10**

Expiry Date	Exercise Price $	2013	Granted	Exercised	Expired/ Forfeited	Cancelled	2014
November 8, 2015	0.10	1,343,320	-	-	(140,000)	(714,991)	488,329
August 28, 2015	0.10	20,000	-	-	-	-	20,000
September 30, 2015	0.10	810,000	-	-	(140,000)	-	670,000
		2,173,320	-	-	(280,000)	(714,991)	1,178,329
Weighted average exercise price							**$0.10**

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Stock options (continued)

Details regarding the options outstanding as at December 31, 2015 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	248,329	0.87	$ 0.31	248,329
$ 0.10	305,000	0.87	$ 0.31	305,000
$ 0.10	548,500	2.33	$ 0.07	140,000
$ 0.10	1,101,829	1.59	$ 0.19	693,329

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.

d) Share purchase warrants

On October 16, 2015 the Company issued 3,500,000 share purchase warrants as part of a private placement as described in Note 7(b). The holder has the right to exchange one warrant for one common share of the Company. The warrants have an exercise price of $0.20 and an expiry on October 16, 2016.

On July 25, 2014, the Company issued 1,363,042 bonus warrants, valued at $10,311 to Merfin Management as interest, pursuant to the loan agreements between Merfin Management and the Company as described in Note 6. The warrants are exercisable at $0.10 per warrant and expire in 5 years, on July 25, 2019. The nature of these warrants was for bonus interest expense. As a result, the value of $10,311 was recorded as interest expense in 2014.

The weighted average fair value of these 1,363,042 bonus warrants was $0.0076 per warrant. 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 1.51%; the expected life of 5 years; expected volatility of 150%; forfeiture rate of 0% and expected dividends of $Nil.

During the year ended December 31, 2014, the Company further amended the expiry date for 12,000,000 outstanding warrants for one year, to May 1, 2017. Subsequent to this amendment, the exercise price is still significantly higher than the market price. As a result, no adjustment has been made on the modification of warrants in 2014.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Share purchase warrants (continued)

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

Expiry Date	Exercise Price	2014	Granted	Exercised	Expired/ Cancelled	2015
June 7, 2015	$0.10	1,133,333	-	-	(1,133,333)	-
May 1, 2017	$0.10	12,000,000	-	(550,000)	-	11,450,000
July 25, 2019	$0.10	1,363,042	-	-	-	1,363,042
Oct 16, 2016	$0.20		3,500,000	-	-	3,500,000
		14,496,375	3,500,000	(550,000)	(1,133,333)	16,313,042
Weighted average exercise price						$0.12
Weighted average contractual remaining						1.40

Expiry Date	Exercise Price	2013	Granted	Exercised	Expired/ Cancelled	2014
June 7, 2015	$0.10	1,133,333	-	-	-	1,133,333
May 1, 2017	$0.10	12,000,000	-	-	-	12,000,000
July 25, 2019	$0.10		1,363,042	-	-	1,363,042
		13,133,333	1,363,042	-	-	14,496,375
Weighted average exercise price						$0.10
Weighted average contractual remaining life (years)						2.40

8. DISPOSAL OF SUBSIDIARIES

During the year ended December 31, 2015, the Company disposed of two subsidiaries, Global Environomic Systems Corp. and Nass Energy Inc., to an affiliated company for no consideration. The carrying values of these companies was $100 and $1,000 respectively. Both subsidiaries were inactive and dormant, and as a result, a loss of $670 was recognized on disposal of the subsidiaries.

9. INCOME TAXES

In assessing deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

(Expressed in Canadian Dollars)

9. INCOME TAXES (continued)

	For the years ended December 31,	
	2015	**2014**
Canadian statutory income tax rate	26%	26%
	$	$
Income tax recovery at statutory rate	(68,509)	(36,184)
Effect on income taxes of:		
Permanent differences	54,295	3,396
Losses not recognized	14,214	32,788
Income taxes recoverable	-	-

The nature and effect of the Company's deferred tax assets (liabilities) is as follows:

	2015	2014
	$	$
Non capital losses carried forward	559,987	546,963
Capitalized costs in excess of mineral cost pools	103,235	103,235
Property and equipment	993	993
Marketable securities	732	-
Share issuance costs	1,206	749
Deferred tax assets	666,153	651,940
Deferred tax assets not recognized	(666,153)	(651,940)
Net deferred tax asset	-	-

As at December 31, 2015, the Company had non-capital losses carried forward of approximately $2,153,798 (2014 - $2,103,707) which may be applied to reduce future years' taxable income, expiring as follows:

2015	$	17,821
2026		246,823
2027		331,504
2028		268,312
2029		205,964
2030		280,124
2031		233,230
2032		223,800
2033		168,579
2034		127,550
2035		50,091
	$	2,153,798

10. 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 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.

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

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISKS (continued)

Fair value measurements of financial assets and liabilities (continued)

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 marketable securities, 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 consolidated statements of financial position as of December 31, 2015 as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2015
Cash and equivalents	$ 245,287	–	–	$ 245,287
Marketable securities	$ -	$264	-	$ 264

11. CAPITAL MANAGEMENT

The 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 year ended December 31, 2015. 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.

12. COMMITMENTS

(a) On May 20, 2015, the Company signed a LOI with SRH, and subsequently executed a Definitive Agreement on June 18, 2015, to acquire all the outstanding and issued shares of SRH by issuing 23,000,000 common shares and transfer of 4,000,000 warrants from Merfin to the shareholders of SRH. This transaction is considered as a fundamental change in business in accordance with the Canadian Securities Exchange ("CSE") policies and is subject to its approval, and as a result the trading of the Company's shares were halted since August 18, 2015.

Upon completion of the Definitive Agreement, the Company will change its name to S.R. Hadden Industries Ltd. The Company will focus primarily on completing the research and development of transdermal delivery systems through a third party and plans to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD"). In connection with the Definitive Agreement, a non-brokered private placement closed in October 2015 (see Note 7(b)).

12. COMMITMENTS (continued)

(b) On October 10, 2014, the Company entered into a Shared Lease Agreement ("Lease Agreement") with Mineral Hill Industries Ltd. and Kirkland Precious Metals Corp. to commit in sharing an office lease for a term of two years, commencing on October 15, 2014 at a rate of $300 per month per entity.

Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Nass Valley Gateway Ltd. ("NVG" or the "Company"). The information herein should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014. The consolidated financial statements for the years ended December 31, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised exclusively of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

The reader is encouraged to review the Company's statutory filings on **www.sedar.com** ("Sedar") and to review general information.

Current market conditions

With the exception of a few special market segments like the cannabis market uptrend and certain Internet Technology sectors, the current global financial conditions are still not very favorable for junior companies and are still having a negative impact on raising the necessary capital in order to compete and keep the Company in good standing. Access to public financing for small-cap companies has significantly diminished, especially for companies with projects in the development stage. If the current conditions continue, the companies' ability to operate will be adversely impacted and the trading price of their shares could continue to be under a downward pressure

Highlights and Subsequent Events

The following are highlights of events occurring during the year ended December 31, 2015 and subsequent thereto:

Financing

During the year ended December 31, 2015 the Company received $55,000 and $35,500 through the exercise of share purchase warrants and stock options respectively.

On September 15, 2015 the Company announced in a news release that it has closed the private non-brokered placement and received subscriptions for 3,500,000 common shares or $350,000. As at October 16, 2015, all funds have been received and a treasury order issued.

During the year ended December 31, 2015, the Company borrowed $25,000 from a related party and repaid the loan in full on August 05, 2015. As at December 31, 2015 the balance of the outstanding loan was $Nil. Due to the high interest in the Company's "SRH" project, as described below, certain options and warrants were exercised enabling the Company to repay its outstanding debt in full.

Description of business and overall performance

The Company was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG" as a consequence of the new trading symbol system adopted by the CSE. As of October 5, 2007, the Company's common shares are co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are trading under the symbol "3NVN". The Company's common shares are also traded on the Third Market Segment called Freiverkehr on the Berlin-Bremen Stock Exchange.

Between 2010 and 2012, the Company acquired the rights to two green-technology systems, an emission-free energy-converting and waste disposal system and a wood drying technology, for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively and started also negotiations for the exploration and development of geo-thermal energy via its subsidiary Nass Energy Inc.

In order to keep its focus and financing efforts for green energy technologies separate from its mining and exploration activities and concentrate solely on the commercialization of the technologies, Nass Valley transferred its rights of its option to the Kirkland Lake exploration properties into its subsidiary, Kirkland Precious Metals Corp.) ("KPM") (subsequently renamed as The Eelleet Network Corp. ("TEN")) and completed a Spin-Off of KPM into a separate reporting exploration company via an Arrangement.

Nass Valley announced in a news release issued on October 16, 2014, that it had entered into a letter agreement granting the Company the exclusive right to acquire a corporation actively involved in the medicinal cannabis industry. The letter agreement which was subject to a "Due Diligence Period" was extended past the original date of December 04, 2014 to allow the financiers additional time to raise the agreed upon financing. The letter agreement was terminated on Feb 10, 2015.

On May 27, 2015 the Company announced in a news release that it had entered into a letter agreement ("LOI") granting the Company the exclusive right to acquire S.R. Haddon Industries Ltd ("SRH" or "Haddon") which is actively engaged in research and development of transdermal delivery systems through a third party and plans to first develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD").

The LOI was followed up on July 07, 2015 with the announcement that the Company had signed the Definitive Agreement with SRH. As a consequence of this agreement and upon approval by the Regulatory Authorities, Nass Valley Gateway Ltd. will not only change its name to S.R. Hadden Industries Ltd. ("HDD") but also its business and corporate structure.

Under the agreement a non-brokered private placement ("PP") will have to be closed. The PP will consist of up to 4,000,000 units at $0.10 per unit, whereby one unit will consist of one common share and one share purchase warrant ("Warrant") exercisable within one year after the approval of the PP, at a price of $0.20 per Warrant.

On September 15, 2015, the Company announced that it had closed the PP consisting of 3,500,000 units. A treasury order was issued on October 16, 2015.

The Company filed a Form 2A Listing Statement with the CSE in regard to the acquisition of SRH as it is considered a RTO and a fundamental change in the direction of the Company. The Company has supplied several responses to specific questions from the CSE. In response to the CSE's concern about the knowledge base of SRH's management and board of directors, Haddon engaged Prof. Dr. Friedman of the Albert Einstein College of Medicine and Dr. Ehrlich, CEO of Nano BioMed Inc., respectively as Chief Scientific Consultant and Director of SRH. SRH also continued to finance the development and patent application for its transdermal delivery systems via Nano BioMed, and since December 31, 2015 the Company is awaiting the preparation of a new updated Listing Statement to be filed with the CSE. The Company is expecting to submit the new Listing Statement during March 2016.

Global Environomic Systems Corp.

Triggered by the SRH-Transaction, including HDD's future business orientation, Nass Valley's current Board of Directors exercised its right under the Definitive Agreement to approve the transfer of the ownership of its inactive subsidiary Global Environomic Systems Corp. ("GSC") to an affiliated company. This transfer to Mineral Hill Industries Ltd. took place in 2015.

M-Wave System

As the Company's pilot drying unit based on the M-Wave System was totally destroyed due a disastrous fire in September 2013, the company decided to dissolve all existing joint venture partnerships and keep the subsidiary for the time being as a non-active entity which may at one point entirely be dissolved.

Results of operations

Year ended December 31, 2015 compared to the year ended December 31, 2014

Net loss and comprehensive loss for the year ended December 31, 2015 amounted to $263,496 (loss per share - $0.01) compared to $139,171 (loss per share - $0.01) in the previous year. As the Company is inactive, no revenue was generated. The increase in loss of $124,325 was mainly due to:

(i) an increase in accounting and legal fees of $15,189 from $11,385 in 2014 to $26,574 mainly due to required increased legal services in regards to agreements and listing statement;

(ii) a decrease in wages and salaries expense of $15,818 from $26,998 in 2014 to $11,180 due to recovery of two thirds of the Corporate Secretary's salary from affiliated companies;

(iii) A decrease in administrative services expense of $11,139 from $11,139 in to 2014 to $Nil 9in 2015 due to no salaries or consulting fees paid to the CEO and the CFO (since June 2014);

(iv) an increase of $3,998 in directors' expenses from $Nil in 2014 to $3,998 in 2015 due to no salaries paid but reimbursement for out-of-pocket expenses charged by directors;

(v) a decrease of $24,670 in loan interest and bank charges expense from $30,043 in 2014 to $5,373 in 2015 due to the Company paid off the amount due to related parties during the year;

(vi) an increase in share based payments of $206,099 from $2,729 in 2014 to $208,828 in 2015 mainly due to the grant of new stock options in April 2015 and the stock option modifications on certain stock options as trading of the common shares was halted since August 18, 2015;

(vii) a decrease in rent of $4,411 from $8,833 in 2014 to $4,422 in 2015 due to relocation of the office in October 2014;

(viii) an increase of $42,706 in forgiveness of debt on accounts payables from loss of $18,925 in 2014 to a gain of $23,781 in 2015.

Selected annual information

	Years Ended December 31		
	2015	**2014**	**2013**
	$	**$**	**$**
Total revenues	-	-	-
General and administrative	289,013	120,246	198,495
Loss for the year	(263,496)	(139,171)	(198,495)
Loss per share – basic	(0.01)	(0.01)	(0.01)
Loss per share – diluted	(0.01)	(0.01)	(0.01)
Total assets	268,893	23,827	18,941
Total long –term liabilities	-	-	-
Shareholders' deficiency	261,018	(120,814)	(231,297)
Cash dividends declared - per share	-	-	-

Selected quarterly information

	2015				2014			
Three months ended	Dec 31 2015	Sep 30 2015	June 30 2015	Mar 31 2015	Dec 31 2014	Sep 30 2014	June 30 2014	Mar 31 2014
Total assets	268,893	267,007	25,175	$27,068	$23,827	$40,078	$34,826	$27,090
Exploration and evaluation assets	-	-	-	-	-	-	-	-
Working capital (deficiency)	258,018	261,311	(153,999)	(136,327)	(123,814)	(305,397)	(285,252)	(246,911)
Shareholders' deficiency	261,018	264,311	(150,999)	(133,327)	(120,814)	(302,397)	(282,252)	(243,911)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(191,527)	(19,773)	(39,681)	(12,515)	(52,226)	(20,696)	(38,683)	(27,566)
Earnings (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Fourth Quarter Results

During the quarter ended December 31, 2015, the Company incurred a loss of $191,527 compared to a loss of $52,226 for the comparative period in prior year. The increase in net loss is mainly attributable to the share-based compensation on the modification of stock options, offset by the debt forgiveness on accounts payable in the amount of $23,781.

Significant movements in operating and administrative expenses for the three-month period ended December 31, 2015 include a recovery of administrative services of $7,500 (2014 - $Nil), investor relations of $789 (2014 - $2,488), loan interest expenses and bank charges of $67 (2014 - $5,809), share based payments of $174,235 (2014 - $Nil), transfer agent and filing fees of $4,980 (2014 - $4,304), and wages and salaries of $10,549 (2014 - $2,253).

Liquidity

The Company's working capital and deficit positions at December 31, 2015 and December 31, 2014 were as follows:

		December 31 2015		December 31 2014
Working capital (deficiency)	$	258,018	$	(123,814)
Deficit	$	3,489,888	$	3,226,392

The cash positions at December 31, 2015 and 2014 were $245,287 and $11,654 respectively.

The Company's financial condition is contingent upon management being able to raise additional funds to continue the research and development of transdermal delivery systems through a third party and plans to first develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD") upon approval of the CSE.

While the Company will seek to maximize recoveries and reduce operating costs, estimates and assumptions influencing these parameters at the research and development stage may prove incorrect. Incorrect assumptions may result in material differences between estimated and actual results. The

Company has no way to predict the future price and the ability to sell the developed products. As a result, revenue derived from future operations, if any, will be impacted.

The Company has historically relied upon equity financings and loans from related parties 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 anticipates it will need additional capital in the future to finance ongoing operations and development, 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 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.

In recent months, the securities markets in the world and in Canada have experienced high volatility in price and volume and companies, particularly in junior technology industry, have experienced unprecedented decline in their share prices 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 the Company's share prices will not occur or that these fluctuations will not affect the ability of the Company to raise equity funding, and if at all, without causing a significant dilution to its existing shareholders. 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.

Capital resources

At December 31, 2015 the Company had a share capital of $3,216,971 (December 31, 2014: $2,769,580), representing 31,751,977 (December 31, 2014: 27,346,977) common shares without par value, and an accumulated deficit of $3,489,888 (December 31, 2014: $3,226,392). The shareholder's equity amounted to $261,018 (December 31, 2014: deficiency of $120,814).

Additional disclosure for venture issuers without significant revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations, Comprehensive Loss and Deficit included in its consolidated financial statements for the year ended December 31, 2015 and 2014 which are available on SEDAR at www.Sedar.com.

Related party transactions

During the year ended December 31, 2015 the Company entered into the following transactions with related parties.

Key Management personnel compensation

No remuneration was paid during the year ended December 31, 2015 and 2014 to any key management personnel except the salary to the Corporate Secretary whose salary is shared in equal parts with Mineral Hill Industries Ltd. and The Eelleet Network Corp., companies with common directors and officers.

Key management compensation consists of the following for the year ended December 31, 2015 and 2014:

	2015	2014
Transactions	$	$
Management and office administration fees:		
A company controlled by the CEO	1,862	11,139
Salary:		
Corporate Secretary	11,878	26,998

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

	2015	2014
Balances	$	$
Due from related parties:		
The Eelleet Network Corp.	13,123	5,904
Mineral Hill Industries	7,219	-
Global Environment Systems Corp.	-	135
	20,342	6,039
Due to related parties:		
Merfin Management Limited ("Merfin") (see below)	-	(88,455)
Mineral Hill Industries	-	(225)
	-	(88,680)
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries	1,743	1,788
	1,743	1,788

These transactions are in the normal course of operations and, in management's opinion, are undertaken with the same terms and conditions as transactions with unrelated parties. Accordingly, these transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Advances from related party

As at December 31, 2014, the Company had a loan payable in the amount of $88,455 to Merfin, a private company with a common director. The loan was unsecured, bore interest at 8.50% per annum and was due on demand. On December 29, 2014, the Company settled $195,000 by issuing 2,437,500 common shares, at a fair value of $0.08 per share (see also Note 7(b)). The loan was fully repaid during the year ended December 31, 2015. The Company recorded interest expense in the amount of $4,937 (2014 - $19,306) for the year ended December 31, 2015.

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

Off Balance Sheet Arrangements

The Company doesn't have any off balance sheet arrangements.

Directors and Officers

Dieter Peter	President, Chief Executive Officer and Director (Mineral Hill Industries Ltd)
Melvin Stevens	Director (until October 16, 2015)
Andrew von Kursell	Interim Chief Financial Officer and Director (Mineral Hill Industries Ltd)
Eric Peter-Kaiser	Director (appointed Apr 24, 2015)
Milo Filgas	Director (elected at the AGM on October 16, 2015)
Mike Kelm	Corporate Secretary (appointed on September 30, 2013)

Outstanding share data as at February 19, 2016:

	Number outstanding	Exercise Price	Expiry Date
Common shares	31,751,977		
Common shares issuable on exercise:			
Stock options	248,329	$0.10	November 12, 2016
Stock options	305,000	$0.10	November 12, 2016
Stock options	548,500	$0.10	April 28, 2018
Warrants	11,450,000	$0.10	May 1, 2017
Warrants	1,363,042	$0.10	July 25, 2019
Warrants	3,500,000	$0.20	October 16, 2016

On November 06, 2015 the Board of Directors passed a resolution to extend all stock options currently issued and in good standing by the number of calendar days equal to the trading halt since August 18, 2015. As a result of this modification, a share-based compensation in the amount of $169,478 was recorded.

Future Developments

The Company will now focus primarily on completing the research and development of transdermal delivery systems (the "SRH-Project") through a third party and plans to first develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD").

Risks and Uncertainties

The Company is engaged in advanced research and development projects. The Company's financial success will be dependent upon the successful closing of the private placement and subsequently the commercialization of its transdermal delivery systems and other medicinal cannabis products. These activities involve significant risks which may not be eliminated even with experience and knowledge.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- Cost related to disclosure requirement is a financial burden for a company without any revenue;
- An increasing competition to any new project the company may and is in the process of acquiring;
- No assurance about the economic viability of the project the Company is acquiring;
- Additional costs may be incurred, such as availability of experts related to the acquisition, development and marketing of new products.
- Additional expenditures will be required to establish permits and patents;
- There can be no assurance that the business plan will succeed in whole or in part;
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly for most production projects, and the renewal of permits from provincial, territory, First Nations may be required.

Critical accounting estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) *Stock Based Compensation*
The Company uses Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officer, directors and consultants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 7(c) to the financial statements

(ii) *Financial Instruments*
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

(iii) *Income Taxes*
The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities

(iii) *Going concern*
Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

Financial instruments

The Company's financial instruments consist of cash, amounts receivable from related parties, amounts payable, amounts payable to related parties and loans payable to related party. 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
The Company is not exposed to significant credit risk, being in the development stage. Amounts receivable from related parties and amounts due to related parties are described in Note 6 to the financial statements.

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 anticipates it will need additional capital in the future to finance ongoing development of its technology, 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 presently no source of operating income and has no assurance that additional funding will be available to it for future 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 its exploration results. In recent years, the securities markets in Canada have experienced wide fluctuations in prices 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.

Changes in Accounting Policies

The Company adopted the following accounting policies effective January 1, 2015:

IFRIC 21 Levies - In May 2013, the IASB issued IFRIC 21, an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past activity or event ("obligating event") described in the relevant legislation that triggers the payment of the levy.

IAS 32 – Financial Instruments: Presentation - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

IAS 36 Impairment of Assets - In May 2013, the IASB issued amendments to IAS 36 which restricts the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal.

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.

New accounting standards effective for annual periods on or after January 1, 2017:

IAS 1 – Presentation of Financial Statements
In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 16 – Property, Plant and Equipment and **IAS 38 – Intangible Assets**
In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at March 4, 2016.

"Dieter Peter"
On behalf of the Board
Dieter Peter
Chief Executive Officer
March 4, 2016

EXHIBIT A2

ISSUER'S UNAUDITED INTERIM FINANCIAL STATEMENTS AND MD&A

FOR

Q3, Q2, Q1 2018

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

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

	Note	September 30 2018 (Unaudited)	December 31 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				
	Note	Number of shares	Amount	Share-based payments reserve	Deficit	Total
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)
Item not affecting cash:		
Share-based payments	**18,526**	14,654
	(58,413)	(68,783)
Changes in non-cash working capital items:		
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)

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.

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.

(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 Eelleet 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 Eelleet 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 Eelleet 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

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.

(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.

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	-	-	-	11,450,0000
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.

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			
	Level 1	**Level 2**	**Level 3**	**September 30, 2018 (unaudited)**
Cash and cash equivalents	$ 7,094	-	-	$ 7,094

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.

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Nass Valley Gateway Ltd. ("NVG" or the "Company"). The information herein should be read in conjunction with the financial statements for the nine months ended September 30, 2018 and 2017. The financial statements for the nine months ended September 30, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised primarily of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

The reader is encouraged to review the Company's statutory filings on **www.sedar.com** ("Sedar") and to review general information.

Description of Business and Overall Performance

The Company was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG". Since October 5, 2007, the Company's common shares have been co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are trading under the symbol "3NVN". The Company's common shares are also traded on the Third Market Segment called Freiverkehr on the Berlin and Bremen Stock Exchange.

Between 2010 and 2012 the Company acquired the rights to two green-technology systems, an emission-free energy-converting and waste disposal system and a wood drying technology for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively, and spun off its mining exploration subsidiary, Kirkland Precious Metals Corp., into a separate reporting exploration company via a Plan of Arrangement.

As the Company's pilot plant based on the MWE technology was completely destroyed by a disastrous fire in 2013, as reported in more detail in the Company's monthly report dated Oct. 4, 2013.

On July 07, 2015 Nass Valley announced the execution of a Definitive Agreement granting the Company the exclusive right to acquire 100% of a private corporation ("Target"), to develop transdermal delivery systems through a contracted third party ("Research-Co") to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD).

After execution of the final agreement and receiving conditional approval by the CSE in 2016, the Target wanted to renegotiate the Company's ownership down to 25% which resulted in the termination of the agreement with the Target.

The Company subsequently completed its due diligence on several target projects but the Board of Directors determined that an integration of those targets would also not have been in the best interest of its shareholders.

On February 15, 2017, the Company entered into a Definitive Asset Purchase Agreement (the "DAP-Agr") to acquire 100% of IXI Treasury Holdings Limited ("ITHL" or "Vendor"). As the assets of ITHL ("Assets-ITHL") could not be validated to the full satisfaction of the Company, the Company allowed ITHL to assign the DAP–Agr to an affiliated company, IXI Ventures PLC ("IXIVP" or "Vendor"), and replace the Assets-ITHL with assets of IXIVP ("Assets-IXIVP") under the conditions of the DAP-Agr. The Assets-IXIVP consisted of preferred shares of IXIVP which would have been backed by a basket of diversified tangible assets owned by IXIVP such as ownership in mines and a corporate European bond.

At the request of the Company in line with the rules of the CSE, the trading of its stock was halted on February 8, 2017 pending news of the acceptance of the transaction by the CSE and the Company's request to be provided with IXIVP's financial statements to be audited by an audit firm accepted by the CSE.

As Management had not received any audited financial statements as requested at the agreed upon deadline of December 15, 2017, the Company notified IXIVP that it will pursue other viable projects and announced on March 13, 2018, that it had terminated the agreements with IXI Treasury Holdings Ltd. and IXI Ventures PLC.

On March 22, 2018 the Company entered into a Definitive Acquisition and Share Exchange Agreement whereby the Company acquires a 100% interest in Advanced Bioceuticals Limited ("ABL") and its wholly owned subsidiary Pro-Thotics Technologies Inc. ("PTI") in exchange for 89.27% of the common shares of the Company. Since ABL will own a majority of the common shares of the Company subsequent to the CSE approval, the proposed transaction together with the recapitalization, will be considered as a reverse takeover ("RTO").

ABL is engaged in the sale of Durable Medical Equipment ("DME") and Cannabidiol ("CBD") products with zero THC content, using hemp oil, for internal use and CBD infused skin, bath and body care products. ABL's business was mostly concentrated in the US states of New York, New Jersey, and Florida for the last 25 years but serving patients throughout the US. ABL's main income is presently derived trough the operations of its wholly owned subsidiary, Pro-Thotics Technology Inc. (PTI). During PTI's 25-year history, 200,000 patients located throughout the U.S. and Puerto Rico were provided relief from pain and medical issues through the purchase of PTI's durable medical equipment products.

Upon the approval of the transaction by the CSE, Nass Valley, as Resulting Issuer, will acquire 100 % of the outstanding shares of ABL including its subsidiary in exchange for the issuance of common shares issued at ten cents Canadian dollars ($0.10) per share which would equate to approximately 90 % of all of the issued and outstanding securities of the Resulting Issuer on a fully diluted basis. Based on a review of 12 public companies trading in Australia, Canada and the US an adjusted average to revenue and average market capitalization to EBITDA was calculated to determine a deemed value of $43,250,000 for the proposed acquisition of ABL and its subsidiary.

Subsequent to the CSE approval, ABL and its subsidiary will be wholly owned by the Resulting Issuer which will also include an existing, very experienced and knowledgeable management team. Because the proposed transaction is considered a RTO under the rules of the CSE and as such will require shareholder approval or the written consent of more than 50% of a minimum of five registered shareholders for the final approval of the CSE.

As at the time of this report and due to the Company's tight budget, all Directors of the Board and Executive Members of the Company's management team will continue to provide unpaid services to the Company rewarded only through the issuance of stock options.

Future Developments

Subsequent to the approval by the CSE the Company is determined to expand upon its pain relief concept and ABL will aggressively continue to focus on the CBD marketplace as well as open offices in Maryland, Virginia, California and Washington, DC and the expansion of its current New Jersey operations.

With its operations, presently conducted by PTI, in New York, New Jersey and Florida and its existing national marketing and advertising campaigns, ABL has also action plans to market CBD products extracted from Industrial Hemp, such as CBD infused skin, bath, and body care products to the U.S.

Highlights and Subsequent Events

As at the date of this report the Company has received the approval of the financial review of every quarter as a very important part of the submitted Listing statement ("Form 2A") but is still waiting for final approval by the CSE.

FINANCING

During the nine months ended September 30, 2018 no new equity financing was obtained and no loans to or from related parties incurred.

On October 3, 2018, 391,500 share purchase warrants were exercised at $0.10 per share for a total of $39,150.

On November 20, 2018, the Company received a further $12,855 as advance for exercising share purchase warrants.

Results of Operations

The nine months ended September 30, 2018 compared to the nine months ended September 30, 2017

Net loss and comprehensive loss for the nine months ended September 30, 2018 amounted to $76,939 (loss per share - $0.00 compared to $83,437 (loss per share - $0.00) in the previous year. As the Company is inactive until regulatory approval, no revenue was generated. The decrease in loss of $6,498 was mainly due to:

(i) a decrease of $12,531 in wages and salaries from $13,234 in 2017 to $703 in 2018 due to the lay-off of the Corporate Secretary in January 2018;

(ii) a decrease of $2,700 in rent from $2,700 in 2017 to $Nil in 2018;

(iii) an increase in share based payments of $3,872 from $14,654 in 2017 to $18,526 in 2018 due to new options having been issued and vested;

(iv) a decrease of $5,380 in marketing and promotion from $5,380 in 2017 to $Nil in 2018.

(v) An increase of $10,533 in transfer agent and filing fees from $11,244 in 2017 to $21,777 in 2018 due to filing fees for listing statement Form 2A.

Selected annual information

	Years Ended December 31		
	2017	2016	2015
	$	$	$
Total revenues	-	-	-
General and administrative	111,604	80,637	289,013
Loss for the year	(111,604)	(83,627)	(263,496)
Loss per share – basic	(0.00)	(0.00)	(0.01)
Loss per share – diluted	(0.00)	(0.00)	(0.01)
Total assets	108,131	192,301	268,893
Total long –term liabilities	-	-	-
Shareholders' equity	107,517	191,162	261,018
Cash dividends declared - per share	-	-	-

Selected quarterly information

Three months ended	Sep 30 2018	Jun 30 2018	Mar 31 2018	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec31 2016
Total assets	78,537	91,251	95,480	108,131	123,556	148,453	166,968	192,301
Working capital (deficiency)	75,256	86,422	87,150	104,517	119,379	132,454	160,377	188,162
Shareholders' equity	78,256	89,422	90,150	107,517	122,379	135,454	163,377	191,162
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(12,762)	(37,189)	(26,988)	(28,167)	(14,582)	(37,853)	(31,002)	(32,597)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Third quarter results

During the quarter ended September 30, 2018 the Company incurred a loss of $12,762 compared to a loss of $14,582 for the comparative period.

Significant movements for the three month period ended in September 30, 2018 were an increase of $3,417 in accounting and legal expenses compared from $3,583 in 2017 to $7,000 in 2018, a decrease in office expenses of $1,224 from $1,665 in 2017 to $441 in 2018 and a decrease in wages and salaries of $4,467 in 2017 to $Nil in 2018.

Liquidity

The Company's working capital and deficit positions at September 30, 2018 and December 31, 2017 were as follows:

	September 30 2018 (unaudited)	December 31 2017 (audited)
Working capital	$ 75,256	$ 104,517
Deficit	$ 3,762,103	$ 3,685,164

The cash positions at September 30, 2018 and December 31, 2017 were $7,094 and $38,386 respectively.

The Company's financial condition for adding value to the Company is contingent upon being able to finalize the acquisition of ABL by obtaining regulatory approval.

While the Company will seek to maximize recoveries and reduce operating costs, estimates and assumptions influencing these parameters at the research and development stage may prove incorrect. Incorrect assumptions may result in material differences between estimated and actual results. The Company has no way of predicting the future price and the ability to sell the developed products. As a result, revenue derived from future operations, if any, will be impacted.

The Company has historically relied upon equity financings and loans from related parties 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 anticipates it will need additional capital in the future to finance ongoing operations and development, 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 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.

In recent months, the securities markets in the world and in Canada have experienced high volatility in price and volume and companies, particularly in junior technology industry, 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 the Company's share prices will not occur once the Company's shares resume trading, or that these fluctuations will not affect the ability of the Company to raise equity funding, and if at all, without causing a significant dilution to its existing shareholders. 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.

Capital Resources

At September 30, 2018 the Company had a share capital of $3,246,123 (December 31, 2017: $3,216,971), representing 31,751,977 (December 31, 2017: 31,751,977) common shares without par value, and an accumulated deficit of $3,762,103 (December 31, 2017: $3,685,164). The shareholders' equity amounted to $78,256 (December 31, 2017: $107,517).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations, Comprehensive Loss and Deficit included in its financial statements for the nine months ended September 30, 2018 and 2017 which are available on SEDAR at www.Sedar.com.

Related Party Transactions

During the nine months ended September 30, 2018 the Company entered into the following transactions with related parties.

Key Management personnel compensation

No remuneration was paid during the nine months ended September 30, 2018 and 2017 to any key management personnel except the salary to the Corporate Secretary. The amounts due from (to) related parties were as follows and relate mainly to the reimbursement of in the salary of the Corporate Secretary:

40% from Mineral Hill Industries Ltd.
20% from The Eelleet Network Corp.

Other related party transactions

	September 30 2018 (unaudited)	December 31 2017 (audited)
Consulting fees:		
Chief financial officer	-	**3,500**

The amounts due from/to related parties were as follows:

	September 30 2017 (unaudited)	December 31 2017 (audited)
Balances	$	$
Due from related parties:		
The Eelleet Network Corp., a company with some common directors	**23,386**	**22,993**
Mineral Hill Industries Ltd., a company	**44,254**	**43,466**

with some common directors and officers		
	67,640	**66,459**
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries Ltd., a company with some common directors and officers	-	347
	-	347

These transactions are in the normal course of operations and, in management's opinion, are undertaken with the same terms and conditions as transactions with unrelated parties. Accordingly, these transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Advances from related party

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

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

Off Balance Sheet Arrangements

The Company doesn't have any off-balance sheet arrangements.

Directors and Officers

Dieter Peter	President, Chief Executive Officer and Director (Mineral Hill Industries Ltd)
Andrew von Kursell	Director (Mineral Hill Industries Ltd),
Eric Peter-Kaiser	Interim Chief Financial Officer and Director (Mineral Hill Industries Ltd)
Milo Filgas	Director (Mineral Hill Industries Ltd.)
Michael Kelm	Corporate Secretary

Outstanding Share Data as at November 28, 2018

	Number outstanding	Exercise Price	Expiry Date
Common shares	32,143,477		
Common shares issuable on exercise:			
Stock options	545,000	$0.10	October 25, 2019
Stock options	560,000	$0.10	December 5, 2020
Warrants	11,058,500(2)	$0.10	May 1, 2017
Warrants	1,363,042	$0.10	Jul 19, 2019
Warrants	3,500,000(1)	$0.11	October 16, 2020

(1) 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.
(2) On April 28, 2017, warrants issued on May 1, 2012, were extended a length of time equal to the trading halt.

Risks and Uncertainties

The Company's financial success will be dependent upon the successful acquisition of a qualifying project, its subsequent financing and, the commercialization of such projects and their possible end-products. These activities involve significant risks which may not be eliminated even with past experience and knowledge.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- Costs related to disclosure requirements are a financial burden for a company presently depending on equity funding for its working capital.

- An increase in competition to any new project the company may acquire.
- No assurance about the economic viability of any project the Company may acquire.
- Additional costs may be incurred, such as availability of experts related to the acquisition, development and marketing, especially of potential new generation of products.
- Additional expenditures will be required to establish permits and patents.
- There can be no assurance that a developed business plan will succeed in whole or in part.

- There are various government and environmental regulations that must be followed by the Company, which are changing constantly for most production projects.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) *Stock Based Compensation*
The Company uses Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officer, directors and consultants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 7(c) to the financial statements.

(ii) *Financial Instruments*
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

(iii) *Income Taxes*
The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities

(iv) *Going concern*
Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

Financial Instruments

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

Credit risk

The Company is not exposed to significant credit risk, being in the development stage. Amounts receivable from related parties and amounts due to related parties are described in Note 6 to the financial statements.

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. Although the proposed transaction will drastically improve the cash flow of the Company, there can be no assurance the Resulting Issuer will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing development of its technology, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings and the additional income subsequent to the proposed acquisition. Presently 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 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 besides its future cash flow from the operations of the proposed transaction, will depend, in part, on the prevailing capital market conditions its exploration results. In recent years, the securities markets in Canada have experienced wide fluctuations in prices 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.

Changes in Accounting Policies

The Company did not adopt any new or amended accounting standards during the nine months ended September 30, 2018 which had a significant impact on the Financial Statements.
The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provides guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

The adoption of these standards is not expected to have material impact on the Company's financial statements.

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.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward-looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events.

Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at November 28, 2018.

"Dieter Peter"

On behalf of the Board
Dieter Peter
Chief Executive Officer
November 28, 2018

NASS VALLEY GATEWAY LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

(Unaudited)

NASS VALLEY GATEWAY LTD.

Contents

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

	Note	June 30 2018 (Unaudited)	December 31 2017 (Audited)
		$	$
ASSETS			
Current assets			
Cash and equivalents	5	18,968	38,368
Marketable securities	6	264	264
Amounts receivable from related parties	7	69,019	66,481
		88,251	105,131
Non-current assets			
Reclamation bond		3,000	3,000
		91,251	108,131
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		1,829	614
		1,829	614
Shareholders' equity			
Share capital	8	3,246,123	3,216,971
Share based payment reserve		592,640	575,710
Deficit		(3,749,341)	(3,685,164)
		89,422	107,517
		91,251	108,131

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

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on August 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
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended June 30		For the six months ended June 30	
	2018	2017	2018	2017
	$	$	$	$
Revenue	-	-	-	-
Expenses				
Accounting and legal	13,999	16,259	24,259	25,559
Investor relation	-	703	54	1,771
Loan interest expenses and bank charges	72	43	142	129
Marketing and promotion	-	-	-	5,380
Office expenses	1,218	1,837	2,849	3,300
Rent	-	900	-	900
Share-based payments	7,309	9,930	16,930	13,147
Transfer agent and filing fees	14,591	3,715	19,265	9,027
Wages and salaries	-	4,466	703	8,767
Loss before other items	(37,189)	(37,853)	(64,202)	(68,880)
Other items				
Interest revenue	-	-	25	25
Net loss and comprehensive loss	(37,189)	(37,853)	(64,177)	(68,855)
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 six months ended June 30, 2018 and 2017
(unaudited)
(Expressed in Canadian Dollars)

		Share Capital				
	Note	Number of shares	Amount	Share based payment reserve	Deficit	Total
			$	$	$	$
Balance, January 1, 2017		**31,751,977**	**3,216,971**	**547,751**	**(3,573,560)**	**191,162**
Share-based payments	8(c)	-	-	13,147	-	13,147
Comprehensive loss		-	-	-	(68,855)	(68,855)
Balance, June 30, 2017		**31,751,977**	**3,216,971**	**560,898**	**(3,642,415)**	**135,454**
Balance, January 1, 2018		**31,751,977**	**3,216,971**	**575,710**	**(3,685,164)**	**107,517**
Share-based payments	8(c)	-	-	16,930	-	16,930
Comprehensive loss		-	-	-	(64,177)	(64,177)
Cash received in advance for exercise of warrants			29,152	-	-	29,152
Balance, June 30, 2018		**31,751,977**	**3,246,123**	**592,640**	**3,749,341**	**89,422**

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

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

	Six months ended June 30 2018 $	2017 $
Cash flows from operating activities		
Net loss for the period	(64,177)	(68,855)
Items not affecting cash:		
Share-based payments	16,930	13,147
	(47,247)	(55,708)
Changes in non-cash working capital items:		
Increase in amounts receivable due to related parties	(2,538)	(15,217)
Increase in accounts payable and accrued liabilities	1,215	11,959
	(48,570)	(58,966)
Cash flows from financing activities		
Cash advance for exercise of warrants	29,152	-
Decrease in cash and equivalents	(19,418)	(58,966)
Cash and equivalents, beginning of the period	38,386	150,973
Cash and equivalents, end of the period	18,968	92,007

Supplemental cash flow disclosures:		
Taxes paid	-	-
Interest paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

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.

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. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

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.

(Expressed in Canadian Dollars)

5. CASH AND EQUIVALENT

	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
	$	$
Bank & petty cash	**13,968**	33,368
Term deposit	**5,000**	5,000
	18,968	38,368

6. MARKETABLE SECURITIES

	June 30, 2018	December 31, 2017
The Eelleet 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 Eelleet 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 June 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 six months ended June 30, 2018 and 2017 were $nil.

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

	June 30, 2018 (unaudited)	December 31, 2017 (audited)
	$	$
Due from related parties:		
The Eelleet 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	342	347

7. RELATED PARTY TRANSACTIONS (continued)

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

During the periods ended June 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.

(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 $	Dec 31 2017 (audited)	Granted	Exercised	Expired/ Forfeited	Cancelled	June 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 $	Dec 31 2016 (audited)	Granted	Exercised	Expired/ Forfeited	Cancelled	Dec 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 June 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	1.32	$ 0.04	545,000
$ 0.10	560,000	2.43	$ 0.06	450,000
$ 0.10	1,105,000	1.93	$ 0.05	995,000

(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	June 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)						0.4

(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	Dec 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, 2016	$0.20	3,500,000	-	-	-	3,500,000
		16,313,042	-	-	-	16,313,042
Weighted average exercise price						$0.10
Weighted average contractual remaining life (years)						0.80

(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.

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.

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.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

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 June 30, 2018 as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	June 30, 2018 (unaudited)
Cash and equivalents	$ 18,968	–	–	$ 18,968

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 six months ended June 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 EVENT

On July 17, 2018 the Company submitted a revised Listing Statement 2A to the CSE following initial comments by the Exchange and is awaiting further comments.

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Nass Valley Gateway Ltd. ("NVG" or the "Company"). The information herein should be read in conjunction with the financial statements for the six months ended June 30, 2018 and 2017. The financial statements for the six months ended June 30, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised primarily of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

The reader is encouraged to review the Company's statutory filings on **www.sedar.com** ("Sedar") and to review general information.

Description of Business and Overall Performance

The Company was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the Canadian Securities Exchange ("CSE") on March 9, 2007 under the trading symbol 'NVGL', which was changed in September 2008 to "NVG". Since October 5, 2007, the Company's common shares have been co-listed on the "Open Market" of the Frankfurt (Germany) Stock Exchange and are trading under the symbol "3NVN". The Company's common shares are also traded on the Third Market Segment called Freiverkehr on the Berlin and Bremen Stock Exchange.

Between 2010 and 2012 the Company acquired the rights to two green-technology systems, an emission-free energy-converting and waste disposal system and a wood drying technology for its subsidiaries Global Environomic Systems Corp. ("GSC") and M-Wave EnviroTech Inc. ("MWE"), respectively, and spun off its mining exploration subsidiary, Kirkland Precious Metals Corp., into a separate reporting exploration company via a Plan of Arrangement.

As the Company's pilot plant based on the MWE technology was completely destroyed by a disastrous fire in 2013, as reported in more detail in the Company's monthly report dated Oct. 4, 2013.

On July 07, 2015 Nass Valley announced the execution of a Definitive Agreement granting the Company the exclusive right to acquire a private corporation ("Target"), to develop transdermal delivery systems through a contracted third party ("Research-Co") to develop patches suitable for the delivery of tetrahydrocannabinol ("THC") and cannabidiol ("CBD).

In June 2016 the Target wanted to renegotiate the executed agreement and, as the Company declined to accept the drastically changed condition of the transaction,

The Company subsequently completed its due diligence on several qualifying target projects but the Board of Directors determined that an integration of those targets would also not have been in the best interest of its shareholders.

On February 15, 2017, the Company entered into a Definitive Asset Purchase Agreement (the "DAP-Agr") to acquire 100% of IXI Treasury Holdings Limited ("ITHL" or "Vendor"). As the assets of ITHL ("Assets-ITHL") could not be validated to the full satisfaction of the Company, the Company allowed ITHL to assign the DAP–Agr to an affiliated company, IXI Ventures PLC ("IXIVP" or "Vendor"), and replace the Assets-ITHL with assets of IXIVP ("Assets-IXIVP") under the conditions of the DAP-Agr. The Assets-IXIVP consisted of preferred shares of IXIVP which would have been backed by a basket of diversified tangible assets owned by IXIVP such as ownership in mines and a corporate European bond.

At the request of the Company in line with the rules of the CSE, the trading of its stock was halted on February 8, 2017 pending news of the acceptance of the transaction by the CSE and the Company requested to provide a validation of the Assets-IXIVP and IXIVP's financial statements to be audited by a audit firm accepted by the CSE. .

As Management had not received any audited financial statements to verify the value of the Assets-IXIVP at the agreed upon deadline of December 15, 2017, the Company notified IXIVP that it will pursue other viable projects and announced on March 13, 2018, that it had terminated the agreements with IXI Treasury Holdings Ltd. and IXI Ventures PLC as the requested audited financial statements to verify the value of the to be acquired assets were not supplied.

On March 22, 2018 the Company entered into a Definitive Acquisition and Share Exchange Agreement whereby the Company acquires a 100% interest in Advanced Bioceuticals Limited ("ABL") and its wholly owned subsidiary Pro-Thotics Technologies Inc. ("PTI") in exchange for 89.27% of the common shares of the Company. Since ABL will own a majority of the common shares of the Company after the proposed transaction, the transaction will be considered as a reverse takeover and will be accounted as a continuation of the assets and operations of ABL together with a recapitalization. The proposed transaction is subject to shareholders and regulatory approval.

ABL is engaged in the sale of Durable Medical Equipment ("DME") and Cannabidiol ("CBD") with zero THC content, extracted from hemp, for internal use and CBD infused skin, bath and body care products. ABL's business was mostly concentrated in the US states of New York, New Jersey, and Florida for the last 25 years but serving patients throughout the US. ABL's main income is presently derived trough the operations of its wholly owned subsidiary, Pro-Thotics Technology Inc. (PTI). During PTI's 25-year history, 200,000 patients located throughout the U.S. and Puerto Rico were provided relief from pain and medical issues through the purchase of PTI's durable medical equipment products.

Upon the approval of the transaction by the CSE, Nass Valley, as Resulting Issuer, will acquire 100 % of the outstanding shares of ABL including its subsidiary in exchange for the issuance of common shares issued at ten cents Canadian dollars ($0.10) per share which would equate to approximately 90 % of all of the issued and outstanding securities of the Resulting Issuer on a fully diluted basis. Based on a review of 12 public companies trading in Australia, Canada and the US an adjusted average to revenue and average market capitalization to EBITDA was calculated to determine a deemed value of $43,250,000 for the proposed acquisition of ABL and its subsidiary.

Subsequent to the CSE approval, ABL and its subsidiary will be wholly owned by the Resulting Issuer which will also include an existing, very experienced and knowledgeable management team. Because the proposed transaction is considered a Reversed Take Over ("RTO") under the rules of the CSE and as such will require shareholder approval or the written consent of more than 50% of a minimum of five registered shareholders for the final approval of the CSE.

As at the time of this report and due to the Company's tight budget, all Directors of the Board and Executive Members of the Company's management team, excluding its Corporate Secretary as an employee, will continue to provide unpaid services to the Company rewarded only through the issuance of stock options.

Future Developments

Subsequent to the approval by the CSE the Company is determined to expand upon its pain relief concept and ABL will aggressively continue to focus on the CBD marketplace as well as open offices in Maryland, Virginia, California and Washington, DC and the expansion of its current New Jersey operations.

With its operations, presently conducted by PTI, in New York, New Jersey and Florida and its existing national marketing and advertising campaigns, ABL has also action plans to establish in-house manufactured CBD products, CBD infused skin, bath, and body care products to the U.S.

Highlights and Subsequent Events

As at the date of this report the Company has received the approval for the financial review of its to the CSE submitted Listing statement Form 2A but is still waiting for a response to the overall submission of the Form 2A from the CSE.

FINANCING

During the six months ended June 30, 2018 no new equity financing was obtained and no loans to or from related parties incurred.

As at June 30, 2018 ABL advanced $29,152 for transaction costs and fees for the acquisition.

Results of Operations

The six months ended June 30, 2018 compared to the six months ended June 30, 2017

Net loss and comprehensive loss for the six months ended June 30, 2018 amounted to $64,202 (loss per share - $0.00 compared to $68,880 (loss per share - $0.00) in the previous year. As the Company is inactive until regulatory approval, no revenue was generated. The decrease in loss of $4,678 was mainly due to:

(i) a decrease of $8,064 in wages and salaries from $8,767 in 2017 to $703 in 2018 due to the lay-off of the Corporate secretary in January 2018;

(ii) a decrease of $1,717 in cost in investor relations from $1,771 in 2017 to $54 in 2018 due to the termination of the IXIVP project;

(iii) an increase in share based payments of $3,738 from $13,147 in 2017 to $16,930 in 2018 due to new options having been issued and vested;

(iv) a decrease of $5,380 in marketing and promotion from $5,380 in 2017 to $Nil in 2018.

Selected annual information

	Years Ended December 31		
	2017	2016	2015
	$	$	$
Total revenues	-	-	-
General and administrative	111,604	80,637	289,013
Loss for the year	(111,604)	(83,627)	(263,496)
Loss per share – basic	(0.00)	(0.00)	(0.01)
Loss per share – diluted	(0.00)	(0.00)	(0.01)
Total assets	108,131	192,301	268,893
Total long –term liabilities	-	-	-
Shareholders' equity	107,517	191,162	261,018
Cash dividends declared - per share	-	-	-

Selected quarterly information

Three months ended	Jun 30 2018	Mar 31 2018	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016	Sep 30 2016
Total assets	91,251	95,480	108,131	123,556	148,453	166,968	192,301	218,515
Working capital (deficiency)	86,422	87,150	104,517	119,379	132,454	160,377	188,162	209,513

Shareholders' equity	89,422	90,150	107,517	122,379	135,454	163,377	191,162	212,513
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(37,189)	(26,988)	(28,167)	(14,582)	(37,853)	(31,002)	(32,597)	(13,498)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Second quarter results

During the quarter ended June 30, 2018 the Company incurred a loss of $37,189 compared to a loss of $37,853 for the comparative period.

Significant movements for the three month period ended in June 30, 2017 were a decrease of $2,260 in accounting and legal expenses compared from $16,259 in 2017 to $13,999 in 2018, a decrease of $2,621 in share-based compensation from 9,930 in 2017 to $7,309 in 2018, an increase of $10,876 in transfer agent and filing fees from $3,715 in 2017 to $14,591 in 2018 and a decrease in wages and salaries of $4,466 in 2017 to $Nil in 2018.

Liquidity

The Company's working capital and deficit positions at June 30, 2018 and December 31, 2017 were as follows:

	June 30 2018 (unaudited)	December 31 2017 (audited)
Working capital	$ 86,422	$ 104,517
Deficit	$ 3,749,341	$ 3,685,164

The cash positions at June 30, 2018 and December 31, 2017 were $18,968 and $38,386 respectively.

The Company's financial condition for adding value to the Company is contingent upon being able to finalize the acquisition of ABL by obtaining regulatory approval.

While the Company will seek to maximize recoveries and reduce operating costs, estimates and assumptions influencing these parameters at the research and development stage may prove incorrect. Incorrect assumptions may result in material differences between estimated and actual results. The Company has no way to predict the future price and the ability to sell the developed products. As a result, revenue derived from future operations, if any, will be impacted.

The Company has historically relied upon equity financings and loans from related parties 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 anticipates it will need additional capital in the future to finance ongoing operations and development, 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 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.

In recent months, the securities markets in the world and in Canada have experienced high volatility in price and volume and companies, particularly in junior technology industry, 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 the Company's share prices will not occur once the Company's shares resume trading, or that these fluctuations will not affect the ability of the Company to raise equity funding, and if at all, without causing a significant dilution to its existing shareholders. 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.

Capital Resources

At June 30, 2018 the Company had a share capital of $3,246,123 (December 31, 2017: $3,216,971), representing 31,751,977 (December 31, 2017: 31,751,977) common shares without par value, and an accumulated deficit of $3,749,341 (December 31, 2017: $3,685,164). The shareholders' equity amounted to $89,422 (December 31, 2017: $107,517).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations, Comprehensive Loss and Deficit included in its financial statements for the six months ended June 30, 2018 and 2017 which are available on SEDAR at www.Sedar.com.

Related Party Transactions

During the six months ended June 30, 2018 the Company entered into the following transactions with related parties.

Key Management personnel compensation

No remuneration was paid during the six months ended June 30, 2018 and 2017 to any key management personnel except the salary to the Corporate Secretary. The amounts due from (to) related parties were as follows and relate mainly to the reimbursement of in the salary of the Corporate Secretary:

40% from Mineral Hill Industries Ltd.
20% from The Eelleet Network Corp.

Other related party transactions

	June 30 2018 (unaudited)	December 31 2017 (audited)
Consulting fees:		
Chief financial officer	-	**3,500**

The amounts due from/to related parties were as follows:

	June 30 2017 (unaudited)	December 31 2017 (audited)
Balances	$	$
Due from related parties:		
The Eelleet Network Corp., a company with some common directors	**23,386**	**22,993**
Mineral Hill Industries Ltd., a company with some common directors and officers	**44,254**	**43,466**
	67,640	**66,459**
Amounts outstanding to related parties included in accounts payable		
Mineral Hill Industries Ltd., a company with some common directors and officers	**342**	347
	342	347

These transactions are in the normal course of operations and, in management's opinion, are undertaken with the same terms and conditions as transactions with unrelated parties. Accordingly, these transactions are measured at exchange amounts, which are the amounts of consideration negotiated, established and agreed to by the related parties.

Advances from related party

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

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

Off Balance Sheet Arrangements

The Company doesn't have any off-balance sheet arrangements.

Directors and Officers

Dieter Peter	President, Chief Executive Officer and Director (Mineral Hill Industries Ltd)
Andrew von Kursell	Director (Mineral Hill Industries Ltd),
Eric Peter-Kaiser	Interim Chief Financial Officer and Director (Mineral Hill Industries Ltd)
Milo Filgas	Director (Mineral Hill Industries Ltd.)
Michael Kelm	Corporate Secretary

Outstanding Share Data as at August 28, 2018

	Number outstanding	Exercise Price	Expiry Date
Common shares	31,751,977		
Common shares issuable on exercise:			
Stock options	545,000	$0.10	October 25, 2019
Stock options	560,000	$0.10	December 5, 2020
Warrants	11,450,000(2)	$0.10	May 1, 2017
Warrants	1,363,042	$0.10	Jul 19, 2019
Warrants	3,500,000(1)	$0.11	October 16, 2020

(1) 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.

(2) On April 28, 2017, warrants issued on May 1, 2012, were extended a length of time equal to the trading halt.

Risks and Uncertainties

The Company's financial success will be dependent upon the successful acquisition of a qualifying project, its subsequent financing and, the commercialization of such projects and their possible end-products. These activities involve significant risks which may not be eliminated even with past experience and knowledge.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- Costs related to disclosure requirements are a financial burden for a company presently depending on equity funding for its working capital.
- An increase in competition to any new project the company may acquire.
- No assurance about the economic viability of any project the Company may acquire.
- Additional costs may be incurred, such as availability of experts related to the acquisition, development and marketing, especially of potential new generation of products.
- Additional expenditures will be required to establish permits and patents.
- There can be no assurance that a developed business plan will succeed in whole or in part.
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly for most production projects and the renewal of permits from provincial, territory, First Nations may have to be required.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) *Stock Based Compensation*
The Company uses Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officer, directors and consultants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 7(c) to the financial statements.

(ii) *Financial Instruments*
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

(iii) *Income Taxes*
The provision of income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities

(iv) *Going concern*
Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors. Judgement is applied by management in determining whether or not the elements giving rise to factors that cause doubt about the ability of the Company to continue as a going concern are present.

Financial Instruments

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

Credit risk

The Company is not exposed to significant credit risk, being in the development stage. Amounts receivable from related parties and amounts due to related parties are described in Note 6 to the financial statements.

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 anticipates it will need additional capital in the future to finance ongoing development of its technology, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. Presently the Company has limited financial resources, has presently no source of operating income and has no assurance that additional funding will be available to it for future 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 its exploration results. In recent years, the securities markets in Canada have experienced wide fluctuations in prices 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.

Changes in Accounting Policies

The Company did not adopt any new or amended accounting standards during the six months ended June 30, 2018 which had a significant impact on the Financial Statements.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IIAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provides guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

The adoption of these standards is not expected to have material impact on the Company's financial statements.

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.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward-looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events.

Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at August 28, 2018.

"Dieter Peter"

On behalf of the Board
Dieter Peter
Chief Executive Officer
August 28, 2018

NASS VALLEY GATEWAY LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2018 AND 2017
(AMENDED)

(Expressed in Canadian Dollars)
(Unaudited)

NASS VALLEY GATEWAY LTD.

Contents

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

	Note	March 31 2018 (unaudited)	December 31 2017 (audited)
		$	$
ASSETS			
Current assets			
Cash and equivalents	4	24,080	38,386
Marketable securities	5	264	264
Amounts receivable from related parties	6	68,136	66,481
		92,480	105,131
Non-current assets			
Reclamation bond		3,000	3,000
		95,480	108,131
LIABILITIES AND DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		5,330	614
Equity			
Share capital	7	3,216,971	3,216,971
Share based payment reserve	7	585,331	575,710
Deficit		(3,712,152)	(3,685,164)
		90,150	107,517
		95,480	108,131

Nature of Operations and Going Concern (Note 1)
Subsequent events (Note 10)

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on July 20, 2018:

"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)

	Note	For the three months ended March 31 2018	2017
		$	$
Expenses			
Accounting and legal		10,260	9,300
Investor relations		54	1,068
Loan interest expenses and bank charges		70	86
Office expenses		1,631	1,463
Rent		-	900
Share-based payments	7(c)	9,621	3,217
Transfer agent and filing fees		4,674	5,312
Marketing and promotion		-	5,380
Wages and salaries		703	4,301
Loss before other item		(27,013)	(31,027)
Other item			
Interest revenue		25	25
Net loss and comprehensive loss		(26,988)	(31,002)
Net loss per share, basic and diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding		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 three months ended March 31, 2018 and 2017
(unaudited)
(Expressed in Canadian Dollars)

	Note	Share Capital				
		Number of Shares	Amount	Share based payment reserve	Deficit	Total
			$	$	$	$
Balance, January, 31, 2017 (audited)		**31,751,977**	**3,216,971**	**547,751**	**(3,573,560)**	**191,162**
Share based payments		-	-	3,217	-	3,217
Comprehensive loss		-	-	-	(31,002)	(31,002)
Balance, March 31, 2017 (unaudited)		**31,751,977**	**3,216,971**	**550,968**	**(3,604,562)**	**163,377**
Balance, January, 31, 2018 (audited)		**31,751,977**	**3,216,971**	**575,710**	**(3,685,164)**	**107,517**
Share based payments	7(c)	-	-	9,621	-	9,621
Comprehensive loss		-	-	-	(26,988)	(26,988)
Balance, March 31, 2018 (unaudited)		**31,751,977**	**3,216,971**	**585,331**	**(3,712,152)**	**90,150**

(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)

	For the three months ended March 31	
	2018	2017
Cash flows from operating activities	**$**	$
Net loss for the period	**(26,988)**	(31,002)
Items not affecting cash:		
Share-based payments	**9,621**	3,217
	(17,367)	(27,785)
Changes in non-cash working capital items:		
Amounts receivable from related parties	**(1,655)**	(7,502)
Accounts payable and accrued liabilities	**4,716**	2,452
Change in cash and equivalents	**(14,306)**	(32,835)
Cash and equivalents, beginning	**38,386**	150,973
Cash and equivalents, ending	**24,080**	118,138
Supplemental disclosures:		
Taxes paid	**-**	-
Interest paid	**-**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

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 of the Acquisition and Share Exchange, the Issuer will acquire 100% of ownership interest of the Target including its wholly owned subsidiary and the Issuer will issue an aggregate of 400,000,000 shares of the Issuer which would equal to 89.27% of the fully paid and non-assessable Securities of the Resulting Issuer's total issued Securities in exchange for 100% of the ownership interest in the Target.

The Issuer has received conditional written approval for the proposed Acquisition from five shareholders controlling in excess of 54% of the Issuer's (Pre-Acquisition) outstanding shares, conditional upon receiving the accepted or conditionally approved Listing Statement in respect to the proposed Transaction.

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 ABL will own 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 together with recapitalization. The proposed transaction is subject to shareholder and regulatory 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

The interim financial statements have been prepared on a historical cost basis, except for financial

2. SIGNIFICANT ACCOUNTING POLICIES (continued)
Statement of compliance and presentation (continued)

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.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of real Estate, IFRIC 18 – Transfer of Assets from Customers, and SIC – Revenue – Barter transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 Share-based Payment – In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provides guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

The adoption of these standards is not expected to have a material impact on the Company's financial statements.

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

(Expressed in Canadian Dollars)

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (continued)

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. CASH AND EQUIVALENT

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
	$	$
Bank and petty cash	19,080	33,386
Term deposit	5,000	5,000
	24,080	38,386

5. MARKETABLE SECURITIES

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
The Eelleet 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 Eelleet 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 March 31, 2018 the fair value of these shares was $0.03 per share for a total of $264 (2017 - $264).

(Expressed in Canadian Dollars)

6. 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 Director members. Key management compensation consists of the following for the three months ended March 31, 2018 and the year ended December 31, 2017:

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
	$	$
Consulting fees:		
Chief financial officer	-	3,500

The amounts due to/from related parties were as follows:

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
	$	$
Due from related parties:		
The Eelleet Network Corp., a company with some common directors	23,386	22,993
Mineral Hill Industries Ltd., a company with some common directors and officers	44,254	43,466
	67,640	66,459
Due to related parties:		
Mineral Hill Industries Ltd., a company with some common directors and officers	-	347
	-	347

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.

7. SHARE CAPITAL

a) Authorized share capital

At March 31, 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.

7. SHARE CAPITAL (continued)

b) Issue of common shares

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

During the periods ended March 31, 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.

On October 25, 2016, the Company granted 545,000 stock options to directors, officers and employees. Share-based compensation of $11,345 was recorded. The weighted average fair value of the 585,000 options was $0.04. 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 0.56%, the expected life of 3 years, expected volatility of 264%, forfeiture rate of 0% and expected dividends of $Nil.

On August 6, 2016, 30 days subsequent to the resumption of trading, 600,996 options that had been granted to members of advisory and board committees were cancelled due to the Board of Directors' decision that, with the exception of the Audit Committee, the size of the Company's operations did not warrant the reappointment of additional committees at that time.

(Expressed in Canadian Dollars)

7. 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	Granted	Exercised	Expired/ Forfeited	Cancelled	March 31 2018
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			85,000		1,477,500
Weighted average exercise price							$0.10

Expiry Date	Exercise Price	December 31 2016	Granted	Exercised	Expired/ Forfeited	Cancelled	December 31 2017
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 March 31, 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	372,500	0.08	$ 0.07	372,500
$ 0.10	545,000	1.57	$ 0.04	545,000
$ 0.10	560,000	2.68	$ 0.06	170,000
$ 0.10	1,477,500	1.62	$ 0.06	1,087,500

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.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Share purchase warrants

On October 16, 2015 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	March 31 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, 2020	$0.11	3,500,000	-	-	-	3,500,000
		16,313,042				16,313,042
Weighted average exercise price						$0.10
Weighted average contractual remaining						0.65

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	$0.11	3,500,000	-	-	-	3,500,000
		16,313,042	-	-	-	16,313,042
Weighted average exercise price						$0.10
Weighted average contractual remaining						0.80

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

8. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash and equivalents, marketable securities, amounts receivable from related parties and accounts payable. 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 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.

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.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

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 marketable securities, 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 condensed interim statements of financial position as of March 31, 2018 as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	March 31, 2018 (unaudited)
Cash and equivalents	$ 24,080	-	-	$ 24,080
Marketable securities	$ -	264	-	$ 264

9. CAPITAL MANAGEMENT

The 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 three months ended March 31, 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.

10. SUBSEQUENT EVENTS

In April 2018, the Company submitted to the CSE a Listing Statement 2A to obtain approval of the transaction with Advanced Bioceuticals Limited and is awaiting comments from the Exchange.

On May 15, 2018 ABL advanced $18,776 for transaction costs to finalize the acquisition.

EXHIBIT A3

ISSUER'S EXECUTIVE COMPENSATION FORM51-102F6V

NASS VALLEY GATEWAY LTD.
(the "Company")

Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended December 31, 2017)

GENERAL

For the purposes of this Statement of Executive Compensation:

"company" means Nass Valley Gateway Ltd.;

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"named executive officer" or **"NEO"** means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5), for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

"plan" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

"underlying securities" means any securities issuable on conversion, exchange or exercise of compensation securities.

The Company's Common shares are listed on the Canadian Securities Exchange under the stock symbol "NVG". The Company is also co-listed on the "open market" of the Frankfurt Stock Exchange under the symbol "3NVN" as well as the Third Market Segment called "Freiverkehr" on the Berlin and Bremen Stock Exchange.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Based on the foregoing definition, during the last three completed fiscal years of the Company, the Company had three NEOs, namely, Dieter Peter, CEO, Andrew von Kursell as Interim CFO until October 25, 2016 and Eric Peter-Kaiser as Interim CFO since October 25, 2016.

Director and named executive officer compensation, excluding compensation securities

The following table of compensation, compensation securities, provides a summary of the compensation paid by the Company paid to NEOs and directors of the Company for the three completed financial years ended December 31, 2017, 2016 and 2015. Options are disclosed under the heading "**Stock Options and Other Compensation Securities**" of this form.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Dieter Peter *CEO & President*	2017 2016 2015	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Andrew von Kursell *Interim CFO (June 17, 2014-October 25, 2016)*	2017 2016 2015	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Eric Peter-Kaiser *Interim CFO (October 25, 2016)*	2017 2016 2015	3,500[(1)] Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	3,500 Nil Nil
Andrew von Kursell *(October 25, 2016)*	2017 2016 2015	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Milo Filgas	2017 2016 2015	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

(1) consulting fee

External management companies

The Company does not have any contract, agreements, plans or arrangements that provide payment for NEOs or directors.

Stock options and other compensation securities

The following table sets forth all compensation securities granted to each NEO or director as at the financial year ended December 31, 2017.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price (\$)**	**Closing price of security or underlying security on date of grant (\$)**	**Closing price of security or underlying security at year end (\$)**	**Expiry date**
Dieter Peter, CEO	Stock Options	107,500 Common shares (17.89%)	Apr 28, 2015	\$0.10	\$0.07	\$0.06	Apr 28, 2018
	Stock Options	155,000 Common shares (28.44%)	Oct 25, 2016	\$0.10	\$0.04	\$0.06	Oct 25, 2019
	Stock Options	155,000 Common shares (27.68%)	Dec 5, 2017	\$0.10	\$0.06	\$0.06	Dec 5, 2020
Eric Peter-Kaiser, Interim CFO	Stock Options	60,000 Common shares (9.98%)	Apr 28, 2015	\$0.10	\$0.07	\$0.06	Apr 28, 2018
	Stock Options	140,000 Common shares (25.69%)	Oct 25, 2016	\$0.10	\$0.04	\$0.06	Oct 25, 2019
	Stock Options	140,000 Common shares (25%)	Dec 5, 2017	\$0.10	\$0.06	\$0.06	Dec 5, 2020
Andrew von Kursell, Director	Stock Options	95,000 Common shares (15.81%)	Apr 28, 2015	\$0.10	\$0.07	\$0.06	Apr 28, 2018
	Stock Options	95,000 Common shares (17.43%)	Oct 25, 2016	\$0.10	\$0.04	\$0.06	Oct 25, 2019
	Stock Options	95,000 Common shares (16.96%)	Dec 5, 2017	\$0.10	\$0.06	\$0.06	Dec 5, 2020
Milo Filgas, Director	Stock Options	85,000 Common shares (15.60%)	Oct 25, 2016	\$0.10	\$0.04	\$0.06	Oct 25, 2019
	Stock Options	85,000 Common shares (15.18%)	Dec 5, 2017	\$0.10	\$0.06	\$0.06	Dec 5, 2020

Note: Stock options granted to directors vest at a rate of 50% on the grant date and the balance 180 days after the date of issuance. Stock options granted to employees vest at a rate of 50% 180 days after the date of issuance and the balance on the first anniversary of the grant date.

Exercise of compensation securities by NEOs and directors

The following table sets forth any exercise by a director or named executive officer of compensation securities during the financial year ended December 31, 2017.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities**	**Exercise price per security (\$)**	**Date of exercise**	**Closing price per security on date**	**Difference between exercise price and**	**Total value on exercise date**

		exercised			of exercise ($)	closing price on date of exercise ($)	($)
Dieter Peter, CEO	Stock Options	Nil	N/A	N/A	N/A	N/A	Nil
Eric Peter-Kaiser, interim CFO	Stock Options	Nil	N/A	N/A	N/A	N/A	Nil
Andrew von Kursell, Director	Stock Options	Nil	N/A	N/A	N/A	N/A	Nil
Milo Filgas, Director	Stock Options	Nil	N/A	N/A	N/A	N/A	Nil

Stock option plans and other incentive plans

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 180 days after the date of issuance. Stock options granted to employees vest at a rate of 50% 180 days after the date of issuance and the balance on the first anniversary of the grant date.

The Plan is being approved and ratified at each year's annual general meeting.

Employment, consulting and management agreements

During the last financial year ended December 31, 2017, there were no compensatory plans or arrangements, with respect to any director or NEO resulting from the resignation, retirement or any other termination of employment of an officer or director or from a change of a director's or a NEO's ability responsibilities following a change in control.

Oversight and description of director and named executive officer compensation

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger Board of Directors (the "Board"), the Board will elect Human Resources & Corporate Governance and Environmental & Safety Committees in due course. The Company presently does not have a Compensation Committee. The Board of Directors has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for directors and senior management of companies of similar size and stage of development in the junior industrial sector, including payments to consultants doing the work instead, and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In evaluating the amount of work being done by Management instead of engaging additional consultants for the enormous amount of due diligence and negotiation required for the acquisition of a qualifying project within the Company's objective, the Company will consider issuing an extra bonus in form of stock options and/or share purchase warrants to its Management. In evaluating the Administrative Services, the independent Directors annually review the performance of the CEO and CFO in light of the Company's objectives and the progress of its projects and consider other factors that may have impacted the success of the Company in achieving its objectives.

Elements of Compensation

The Company's executive compensation consists of long-term incentives in the form of stock options granted under the Company's Stock Option Plan.

Compensation Policies and Risk Management

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. Commencing in 2012, the Board of Directors reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

The Company's executive compensation is long-term ownership in the Company through the Company's Stock Option Plan. The present compensation structure, which is on the lower end in comparison of companies of similar size and stage of development within the junior industrial sector, ensures that the executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors did not establish a Human Resource & Corporate Governance Committee as the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

Option-Based Awards

The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior industrial companies grant options and the potential value that each optionee is contributing to the Company and the various board committees. The number of options granted to an individual is based on such considerations.

Incentive Plan Awards

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officers

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has not entered into any employment contracts with the Named Executive Officers.

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or its subsidiaries or a change in responsibilities of the Named Executive Officer following a change in control.

EXHIBIT B1

TARGET'S AUDITED FINANCIAL STATEMENTS

FOR

2017 AND 2016

PRO-THOTICS TECHNOLOGY, INC
(DBA PRO-THOTICS HEALTH)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR YEARS ENDED DECEMBER 31, 2017 AND 2016

Magone & Company, P.C.
Certified Public Accountants
& Business Consultants

Numbers are just the beginning[SM]

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PRO-THOTICS TECHNOLOGY, INC.
Contents
December 31, 2017 and 2016

Magone & Company, P.C.
Certified Public Accountants
& Business Consultants

INDEPENDENT AUDITORS' REPORT

To The Stockholder of
Pro-Thotics Technology, Inc.

We have audited the accompanying financial statements of Pro-Thotics Technology, Inc. (A New York Corporation) (DBA Pro-Thotics Health), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income and accumulated deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pro-Thotics Technology, Inc. as of December 31, 2017 and 2016, and the results of its operations, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Magone & Company, P.C.

MAGONE & COMPANY, P.C.

Roseland, New Jersey
March 8, 2018

PRO-THOTICS TECHNOLOGY, INC.
Balance Sheets
December 31,

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,045	$ 15,691
Accounts receivable, net of allowance for doubtful accounts of $66,315 in 2017 and $-0- in 2016	565,234	197,711
Due from a stockholder	104,771	34,398
	673,050	247,800
PROPERTY AND EQUIPMENT, NET	51,733	75,684
OTHER ASSETS:		
Deferred tax assets	345,283	197,524
Security deposit	5,551	5,551
	350,834	203,075
	$ 1,075,617	$ 526,559
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Current maturities of long term debt	$ 758,222	$ 10,940
Accounts payable and accrued expenses	374,830	222,428
Payroll taxes payable	8,541	94,608
Merchant cash advances	335,690	446,668
Due to third party billing clients	-	74,705
Due to related companies	357,617	-
	1,834,900	849,349
LONG TERM DEBT, NET OF CURRENT MATURITIES:	-	250,000
	1,834,900	1,099,349
STOCKHOLDERS' DEFICIT:		
Capital stock	2,000	2,000
Accumulated deficit	(761,283)	(574,790)
	(759,283)	(572,790)
	$ 1,075,617	$ 526,559

The accompanying notes are an integral part of these financial statements.

PRO-THOTICS TECHNOLOGY, INC.
Statements of Income and Accumulated Deficit
For the Years Ended December 31,

	2017	2016
NET SALES	$ 2,536,802	$ 3,997,667
COST OF SALES	462,272	863,510
GROSS PROFIT	2,074,530	3,134,157
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,287,908	3,561,106
OPERATING LOSS	(213,378)	(426,949)
OTHER INCOME (EXPENSES):		
Loss on sale of future receivables and related fees	(120,716)	(402,892)
Interest	(137,107)	(54,451)
Bank charges	(31,688)	(11,407)
Third Party Billing service income	168,637	352,495
	(120,874)	(116,255)
LOSS BEFORE PROVISION FOR INCOME TAXES	(334,252)	(543,204)
(BENEFIT FROM) PROVISION FOR INCOME TAXES:		
Current	-	2,000
Deferred	(147,759)	(197,524)
	(147,759)	(195,524)
NET LOSS	(186,493)	(347,680)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	(574,790)	(227,110)
ACCUMULATED DEFICIT, END OF YEAR	$ (761,283)	$ (574,790)

The accompanying notes are an integral part of these financial statements.

PRO-THOTICS TECHNOLOGY, INC.
Statements of Cash Flows
For the Years Ended December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (186,493)	$ (347,680)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Bad debt	66,315	-
Depreciation and amortization	23,951	23,951
Merchant cash advance fees	3,453	22,562
Write-off of accounts receivable	8,180	-
Benefit from deferred income taxes	(147,759)	(197,524)
(Increase) decrease in operating assets:		
Accounts receivable	(442,018)	135,525
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	152,402	(78,982)
Payroll taxes payable	(86,067)	18,932
Due to third party billing clients	(74,705)	14,097
NET CASH USED IN OPERATING ACTIVITIES	(682,741)	(409,119)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advances to a stockholder	(70,373)	(34,398)
Acquisitions of property and equipment	-	(3,710)
NET CASH USED IN INVESTING ACTIVITIES	(70,373)	(38,108)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long term debt	(2,718)	(31,749)
Repayments of due to a stockholder	-	(203,675)
Proceeds from due to related companies	357,617	-
Proceeds from long term debt	500,000	250,000
Proceeds from merchant cash advances	250,000	942,500
Repayments of merchant cash advances	(364,431)	(518,394)
NET CASH PROVIDED BY FINANCING ACTIVITIES	740,468	438,682
NET CHANGE IN CASH AND CASH EQUIVALENTS	(12,646)	(8,545)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,691	24,236
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,045	$ 15,691
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 137,110	$ 10,261
Income taxes	$ -	$ 2,000

The accompanying notes are an integral part of these financial statements.

Note 1 - Operation and Nature of Operations

Pro-Thotics Technology, Inc. (DBA Pro-thotics Health) (the "Company") was incorporated in the State of New York in November 1988. The Company is a durable medical equipment (DME) company that provides braces, orthotic and prosthetic products to patients throughout the United States via clinician services and mail delivery business. The business specializes in braces, orthotics and prosthetics, wound-care devices, treatment of neuro-muscular disorders, sports rehabilitation bracing, spinal orthotics and custom-made footwear. The Company also operates as a third party biller on behalf of other DME providers whereby it processes medical claims and payments for the other providers.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Accounts receivable are written-off when they are determined to be uncollectible.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounts Receivable (cont'd.)

As of December 31, 2017 and 2016, an allowance for doubtful accounts has been established amounting to $66,315 and $-0-, respectively.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over 7 years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Accelerated methods of depreciation are used for income tax reporting. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

The Company recognizes revenue from sales of its products upon delivery to customers.

The Company recognizes revenue from its third party billing practice upon receipt of the amounts billed to the health insurance company. The revenue is presented net of the payments to the health care provider.

All other revenue is recognized as earned.

Shipping and Handling Costs

The Company generally records shipping and handling costs incurred as a selling expense and records shipping and handling costs billed to customers to net sales in accordance with the Emerging Issues Task Force ("EITF") Issue No. 00-10, "Classification of Shipping and Handling Costs."

Shipping and handling costs billed to customers for the years ended December 31, 2017 and 2016 was $114,375 and $17,785, respectively.

Advertising and Promotions

Advertising and promotions are expensed as incurred. Total advertising and promotions for the years ended December 31, 2017 and 2016 were $623,975 and $759,489, respectively.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Income Taxes

On August 1, 1989 the Company elected to be treated as a pass-through entity for income tax purposes (S-Corporation) and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by its stockholders on their respective income tax returns. The Company's federal tax status as a pass-through entity is based on its legal status as an S-Corporation as provided under Section 1362(a) of the Internal Revenue Code.

Effective March 3, 2016 the Company's S-Corporation status terminated and the Company will utilize the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, "Income Taxes" ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the years ended 2017 and 2016.

The Company files federal and various state income tax returns. The Company is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013. The Company files its income tax returns on cash basis.

Note 3 - Concentration of Risk

The Company maintains its cash balances in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the FDIC limit at December 31, 2017 and 2016. Although the balances in these accounts exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Purchases generated by the top ten vendors of the Company accounted for 30% and 27% of total purchases for the years ended December 31, 2017 and 2016, respectively.

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31:

	2017	2016
Leasehold improvements	$ 126,451	$ 126,451
Furniture and fixtures	12,100	12,100
	138,551	138,551
Less accumulated depreciation and amortization	86,818	62,867
	$ 51,733	$ 75,684

Depreciation and amortization expense was $23,951 for the years ended December 31, 2017 and 2016.

Note 5 - Merchant Cash Advances

The Company entered into various future receivable sale agreements to secure working capital to expand its mail-order operations. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The proceeds from these agreements during 2017 was $246,547, net of $3,453 of related fees. The proceeds from these agreements during 2016 was $919,938, net of $22,562 of related fees. The resulting loss from these agreements amounted to $117,263 and $380,330 for the years ended December 31, 2017 and 2016, respectively. The loss and related fees are included in the loss on sale of future receivables and related fees in the statement of income and accumulated deficit.

As of December 31, 2017 and 2016, merchant cash advances were $335,690 and $446,668, respectively.

Note 6 - Due to Third Party Billing Clients

This represents insurance payments received by the Company on behalf of its third party clients that were not yet remitted at the end of the year. At December 31, 2017 and 2016, due to third party clients was $-0- and $74,705, respectively.

Note 7 - Long Term Debt

Long term debt consists of the following at December 31:

	2017	2016
This represents the outstanding balance of an unsecured note payable to Rosa Affenita, a related party, with an original amount of $120,000, dated March 20, 2013, with interest rate at 5% per annum. The loan is payable in monthly installments of $2,764, with a final payment due March 1, 2017.The Company has not satisfied the repayment terms of the note as of the date of the report. The parties had a mutual agreement that payment will be made when cash flow is available.	$ 8,222	$ 10,940
This represents the outstanding balance of an unsecured note payable to Michael Semler, an unrelated party, with an original amount of $25,000, dated August 18, 2016, with interest rate at 4% per month on the unpaid principal balance. The note matured on October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. As of the date of the report, the Company is currently negotiating an extension.	250,000	250,000
This represents the outstanding balance of a secured note payable to an unrelated entity, with an original amount of $500,000, dated July 7, 2017, with interest rate at 12% per annum. The note is due in full on July 6, 2018. The note contains a conversion feature whereby once elected by Lender in writing and delivered to the Company, then the outstanding principal balance of this note shall immediately and automatically, without any further action by the Lender or Company, be converted into the Equity Interest set forth in the Loan and Security Agreement. In addition the note provides that there shall be no distributions of any type by the Company prior to the maturity date of this Loan, except for expenses defined in the security agreement.	500,000	-
	758,222	260,940
Less current maturities	758,222	10,940
	$ -	$ 250,000

Note 7 - Long Term Debt (cont'd.)

As of December 31, 2017, all of the Company's debts will mature in 2018.

Note 8 - Related Party Transactions

The following is a summary of related party transactions covered by agreements:

The Company entered into a one-year consulting agreement with Global1 Solutions, L.L.C. ("Global1"), a related party, dated January 5, 2016. Global1 will provide the Company consulting services and broker relationships with marketing companies. For the year ended December 31, 2016, the Company pursuant to the agreement, paid Global1 $843,440 and $234,847 for consulting fees and marketing expenses, respectively. The consulting fee is included in consultants and marketing expense is included in advertising and promotions in the schedule of selling, general and administrative expenses.

The Company entered into a client service agreement with NY DME Consultants, L.L.C. ("NY DME"), a related party. NY DME will provide the Company billing and other related services and bill payment services. The fee for the said services is 10% of collections received. For the year ended December 31, 2017 and 2016, the company, pursuant to said agreement, paid NY DME $351,924 and $163,080, respectively. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The Company entered into a one-year consulting agreement with MMVX, L.L.C. ("MMVX"), a related party, dated February 1, 2016. MMVX will provide the Company consulting services. For the year ended December 31, 2016, the Company, pursuant to the agreement, paid MMVX $65,000 for consulting fees. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The Company entered into an independent contractor agreement with Pegasus DME, Inc. ("Pegasus"), a related party, dated April 12, 2015. Pegasus will provide the Company with durable medical equipment and related products and services. For the year ended December 31, 2017 and 2016, the Company, pursuant to the agreement, paid Pegasus $1,500 and $48,385, respectively. The payments are included in consultants in the schedule of selling, general and administrative expenses.

Note 8 - Related Party Transactions (cont'd.)

The following is a summary of transactions between the Company and Global1 for years ended December 31:

	2017	2016
Cost of sales:		
Purchase of durable medical equipment	$ 37,678	$ 86,387
Selling, general and administrative expenses:		
Consulting fees	$ 220,129	$ -
Advertising and promotions	$ 124,724	$ -
Professional fees	$ 6,500	$ 13,871
Shipping and handling	$ -	$ 3,719

The following is a summary of transactions between the Company and National Brace, Inc. ("National Brace") for years ended December 31:

	2017	2016
Cost of sales:		
Purchase of durable medical equipment	$ 198,256	$ -
Selling, general and administrative expenses:		
Advertising and promotions	$ 329,992	$ -
Shipping and handling	$ 97,645	$ -
Billing services	$ 81,927	$ -

In 2017, the Company paid MMVX $121,317 for consulting fee.

The Company in the ordinary course of business, obtains from and grants cash advances to related parties. These advances are unsecured, non-interest bearing and have terms for repayment.

Amounts due from a stockholder as of December 31, 2017 and 2016, amounted to $104,771 and $34,398, respectively.

Amounts due to related companies at December 30 consist of the following:

	2017	2016
National Brace	$ 212,879	$ -
NY DME	144,738	-
	$ 357,617	$ -

Note 9 - Capital Stock

Capital stock consisted of 200 authorized shares of no par value common stock, of which 200 shares were issued and outstanding.

Note 10 - Income Taxes

The (benefit from) provision for income taxes consists of the following charges to continuing operations for the year ended December 31:

	2017	2016
Current:		
Federal	$ -	$ -
State	-	2,000
	-	2,000
Deferred:		
Federal	(100,658)	(167,895)
State	(47,101)	(29,629)
	(147,759)	(197,524)
	$ (147,759)	$ (195,524)

The deferred tax assets at December 31 consist of the following:

	2017	2016
Net operating loss carryforwards	$ 316,961	$ 189,808
Allowance for doubtful accounts	17,905	-
Depreciation book and tax difference	10,417	7,716
	$ 345,283	$ 197,524

No valuation allowance has been provided against the deferred tax assets since it is more likely than not that it will be realized.

Note 11 - Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. For its financial statements as of December 31, 2017, management of the Company determined that there were no reportable subsequent events to be disclosed through the date of this report, which is the date these financial statements were available to be issued.

Note 12 - Commitments and Contingencies

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire in various dates from 2019 to 2021. The leases require payment of base lease payments plus the Company's share of operating expenses. Rent expense for the years ended December 31, 2017 and 2016 were $69,462 and $123,286, respectively.

Future minimum rental payments over the next five years under these lease agreements are as follows for years ending December 31:

2018	$ 58,286
2019	46,369
2020	34,752
2021	16,433
2022 and thereafter	-
	$ 155,840

Payroll taxes

For the years ended December 31, 2017 and 2016, the Company had unpaid Federal payroll taxes of $-0- and $23,388, respectively. The Internal Revenue Service attached a lien on the Company's properties to secure the unpaid payroll taxes. In November 2017, all past due amounts have been satisfied and the Federal liens have been released.

Contingencies

The Company is involved in litigation arising in the ordinary course of business. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Company.

SUPPLEMENTARY INFORMATION

Note 13 -New Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (the "FASB") issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for reporting periods beginning after December 15, 2019. The Company will apply the guidance using the modified retrospective approach. The Company does not expect these amendments to have a material effect on its financial statements.

Going Concern Consideration

In August 2014, the FASB issued guidance that is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing the financial statements, management will need to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The amendments will be effective for the period ending after December 15, 2016. The Company does not expect these amendments to have a material effect on its financial statements.

Leases

In February 2016, the FASB issued guidance to improve the financial reporting about leasing transactions. Under the new guidance, a lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The new guidance will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new guidance will be effective for periods beginning after December 15, 2019, with early adoption permitted. The Company does not expect this new guidance to have a material effect on its financial statements.

Other

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

PRO-THOTICS TECHNOLOGY, INC.
Supplementary Information
Schedules of Selling, General and Administrative Expenses
For the Years Ended December 31,

	2017	2016
Consultants	$ 721,195	$ 1,151,800
Advertising and promotions	623,975	759,489
Salaries	218,969	929,040
Professional fees	195,756	75,972
Shipping and handling	114,375	17,785
Billing services	81,927	-
Bad debt	74,495	-
Rent	69,462	123,286
Payroll taxes and employee benefits	58,526	148,192
Computer	25,666	44,334
Depreciation and amortization	23,951	23,951
Office	20,178	81,605
Automobile	16,591	42,118
Travel	5,639	35,881
Meals and entertainment	261	38,774
Miscellaneous	36,942	88,879
	$ 2,287,908	$ 3,561,106

See independent auditors' report.

PRO-THOTICS TECHNOLOGY, INC.
(DBA PRO-THOTICS HEALTH)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 30, 2016 AND 2015

Magone & Company, P.C.
Certified Public Accountants
& Business Consultants

Numbers are just the beginning℠

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PRO-THOTICS TECHNOLOGY, INC.
Contents
December 31, 2016 and 2015

Magone & Company, P.C.
Certified Public Accountants
& Business Consultants

INDEPENDENT AUDITORS' REPORT

To The Stockholder of
Pro-Thotics Technology, Inc.

We have audited the accompanying financial statements of Pro-Thotics Technology, Inc. (A New York Corporation) (DBA Pro-Thotics Health), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and accumulated deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pro-Thotics Technology, Inc. as of December 31, 2016 and 2015, and the results of its operations, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Magone & Company, P.C.

MAGONE & COMPANY, P.C.

Roseland, New Jersey
February 21, 2018

PRO-THOTICS TECHNOLOGY, INC.

Balance Sheets

December 31,

		2016		2015
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	15,691	$	24,236
Accounts receivable		197,711		333,236
Due from a stockholder		34,398		-
		247,800		357,472
PROPERTY AND EQUIPMENT, NET		75,684		95,925
OTHER ASSETS:				
Deferred tax assets		197,524		-
Security deposit		5,551		5,551
		203,075		5,551
	$	526,559	$	458,948
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Current maturities of long term debt	$	10,940	$	31,749
Accounts payable and accrued expenses		222,428		301,410
Payroll taxes payable		94,608		75,676
Merchant cash advances		446,668		-
Due to third party billing clients		74,705		60,608
Due to a stockholder		-		203,675
		849,349		673,118
LONG TERM DEBT, NET OF CURRENT MATURITIES:		250,000		10,940
		1,099,349		684,058
STOCKHOLDERS' DEFICIT:				
Capital stock		2,000		2,000
Accumulated deficit		(574,790)		(227,110)
		(572,790)		(225,110)
	$	526,559	$	458,948

The accompanying notes are an integral part of these financial statements.

PRO-THOTICS TECHNOLOGY, INC.
Statements of Income and Accumulated Deficit
For the Years Ended December 31,

	2016	2015
NET SALES	$ 3,997,667	$ 2,355,156
COST OF SALES	863,510	1,384,231
GROSS PROFIT	3,134,157	970,925
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,561,106	1,705,743
OPERATING LOSS	(426,949)	(734,818)
OTHER INCOME (EXPENSES):		
Loss on sale of future receivables and related fees	(402,892)	-
Interest	(54,451)	(5,216)
Bank charges	(11,407)	(2,033)
Third Party Billing service income	352,495	685,338
	(116,255)	678,089
LOSS BEFORE PROVISION FOR INCOME TAXES	(543,204)	(56,729)
(BENEFIT FROM) PROVISION FOR INCOME TAXES:		
Current	2,000	638
Deferred	(197,524)	-
	(195,524)	638
NET LOSS	(347,680)	(57,367)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	(227,110)	(169,743)
ACCUMULATED DEFICIT, END OF YEAR	$ (574,790)	$ (227,110)

The accompanying notes are an integral part of these financial statements.

PRO-THOTICS TECHNOLOGY, INC.
Statements of Cash Flows
For the Years Ended December 31,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (347,680)	$ (57,367)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Depreciation and amortization	23,951	22,283
Merchant cash advance fees	22,562	-
Benefit from deferred income taxes	(197,524)	-
Decrease (increase) in operating assets:		
Accounts receivable	135,525	6,920
Security deposit	-	(3,104)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(78,982)	79,577
Payroll taxes payable	18,932	50,914
Due to third party billing clients	14,097	60,608
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(409,119)	159,831
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advances to a stockholder	(34,398)	-
Acquisitions of property and equipment	(3,710)	(12,404)
NET CASH USED IN INVESTING ACTIVITIES	(38,108)	(12,404)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long term debt	(31,749)	(37,521)
Repayments of due to a stockholder	(203,675)	(153,696)
Proceeds from long term debt	250,000	-
Proceeds from merchant cash advances	919,938	-
Repayments of merchant cash advances	(495,832)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	438,682	(191,217)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,545)	(43,790)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,236	68,026
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 15,691	$ 24,236
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 10,261	$ 5,257
Income taxes	$ 2,000	$ 638

The accompanying notes are an integral part of these financial statements.

Note 1 - Operation and Nature of Operations

Pro-Thotics Technology, Inc. (DBA Pro-thotics Health) (the "Company") was incorporated in the State of New York in November 1988. The Company is a durable medical equipment (DME) company that provides braces, orthotic and prosthetic products to patients throughout the United States via clinician services and mail delivery business. The business specializes in braces, orthotics and prosthetics, wound-care devices, treatment of neuro-muscular disorders, sports rehabilitation bracing, spinal orthotics and custom-made footwear. The Company also operates as a third party biller on behalf of other DME providers whereby it processes medical claims and payments for the other providers.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Accounts receivable are written-off when they are determined to be uncollectible.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounts Receivable (cont'd.)

As of December 31, 2016 and 2015, the Company considers its accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over 7 years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Accelerated methods of depreciation are used for income tax reporting. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

The Company recognizes revenue from sales of its products upon delivery to customers.

The Company recognizes revenue from its third party billing practice upon receipt of the amounts billed to the health insurance company. The revenue is presented net of the payments to the health care provider.

All other revenue is recognized as earned.

Shipping and Handling Costs

The Company generally records shipping and handling costs incurred as a selling expense and records shipping and handling costs billed to customers to net sales in accordance with the Emerging Issues Task Force ("EITF") Issue No. 00-10, "Classification of Shipping and Handling Costs."

Shipping and handling costs billed to customers for the years ended December 31, 2016 and 2015 was $17,785 and $14,269, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2016 and 2015 were $759,489 and $50,537, respectively.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Income Taxes

On August 1, 1989 the Company elected to be treated as a pass-through entity for income tax purposes (S-Corporation) and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by its stockholders on their respective income tax returns. The Company's federal tax status as a pass-through entity is based on its legal status as an S-Corporation as provided under Section 1362(a) of the Internal Revenue Code. Accordingly, the Company is not required to take any positions in order to qualify as a pass-through entity. Accordingly, these financial statements do not reflect a provision for federal income taxes and has no other tax positions which it must consider for disclosure. For the year ended December 31, 2015, there has been no interest or penalties recognized in the accompanying statement of income and accumulated deficit.

Effective March 3, 2016 the Company's S-Corporation status terminated and the Company will utilize the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, "Income Taxes" ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the year ended 2016.

The Company files federal and various state income tax returns. The Company is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013. The Company files its income tax returns on cash basis.

Note 3 - Concentration of Risk

The Company maintains its cash balances in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the FDIC limit at December 31, 2016 and 2015. Although the balances in these accounts exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Purchases generated by the top ten vendors of the Company accounted for 27% and 28% of total purchases for the years ended December 31, 2016 and 2015, respectively.

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31:

	2016	2015
Leasehold improvements	$ 126,451	$ 126,451
Furniture and fixtures	12,100	8,390
	138,551	134,841
Less accumulated depreciation and amortization	62,867	38,916
	$ 75,684	$ 95,925

Depreciation and amortization expense was $23,951 and $22,283 for the years ended December 31, 2016 and 2015, respectively.

Note 5 - Merchant Cash Advances

In 2016, the Company entered into various future receivable sale agreements to secure working capital to expand its mail-order operations. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The proceeds from these agreements during 2016 was $919,938, net of $22,562 of related fees. The resulting loss from these agreements amounted to $380,330 for the year ended December 31, 2016. The loss and related fees are included in the loss on sale of future receivables and related fees in the statement of income and accumulated deficit.

As of December 31, 2016 and 2015, merchant cash advances were $446,668 and $-0-, respectively.

Note 6 - Due to Third Party Billing Clients

This represents insurance payments received by the Company on behalf of its third party clients that were not yet remitted at the end of the year. At December 31, 2016 and 2015, due to third party clients was $74,705 and $60,608, respectively.

Note 7 - Long Term Debt

Long term debt consists of the following at December 31:

	2016	2015
This represents the outstanding balance of an unsecured note payable to Rosa Affenita, a related party, with an original amount of $120,000, dated March 20, 2013, with interest rate at 5% per annum. The loan is payable in monthly installments of $2,764, with a final payment due March 1, 2017.The Company has not satisfied the repayment terms of the note as of the date of the report. The parties had a mutual agreement that payment will be made when cash flow is available.	$ 10,940	$ 42,689
This represents the outstanding balance of an unsecured note payable to Michael Semler, an unrelated party, with an original amount of $25,000, dated August 18, 2016, with interest rate at 4% per month on the unpaid principal balance. The note matured on October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. As of the date of the report, the Company is currently negotiating an extension.	250,000	-
	260,940	42,689
Less current maturities	10,940	31,749
	$ 250,000	$ 10,940

Note 7 - Long Term Debt (cont'd.)

Future maturities of long term debt over the next five years are as follows for the years ending December 31:

2017	$	10,940
2018		250,000
2019		-
2020		-
2021		-
2022 and thereafter		-
	$	260,940

Note 8 - Related Party Transactions

The Company entered into a one-year consulting agreement with Global1 Solutions, L.L.C. ("Global1"), a related party, dated January 5, 2016. Global1 will provide the Company consulting services and broker relationships with marketing companies. For the year ended December 31, 2016, the Company pursuant to the agreement, paid Global1 $843,440 and $234,847 for consulting fees and marketing expenses, respectively. The consulting fee is included in consultants and marketing expense is included in advertising and promotions in the schedule of selling, general and administrative expenses.

The Company entered into a client service agreement with NY DME Consultants, L.L.C. ("NY DME"), a related party. NY DME will provide the Company billing and other related services and bill payment services. The fee for the said services is 10% of collections received. For the year ended December 31, 2016 and 2015, the company, pursuant to said agreement, paid NY DME $163,080 and $224,062, respectively. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The Company entered into a one-year consulting agreement with MMVX, L.L.C. ("MMVX"), a related party, dated February 1, 2016. MMVX will provide the Company consulting services. For the year ended December 31, 2016, the Company, pursuant to the agreement, paid MMVX $65,000 for consulting fees. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The Company entered into an independent contractor agreement with Pegasus DME, Inc. ("Pegasus"), a related party, dated April 12, 2015. Pegasus will provide the Company with durable medical equipment and related products and services. For the year ended December 31, 2016 and 2015, the Company, pursuant to the agreement, paid Pegasus $48,385 and $20,463, respectively. The payments are included in consultants in the schedule of selling, general and administrative expenses.

Note 8 - Related Party Transactions (cont'd.)

The following is a summary of transactions between the Company and Global1 for year ended December 31:

	2016	2015
Cost of sales:		
Purchase of durable medical equipment	$ 86,387	$ -
Selling, general and administrative expenses:		
Professional fees	$ 13,871	$ -
Others	$ 3,719	$ -

The Company in the ordinary course of business, obtains from and grants cash advances to related parties. These advances are unsecured, non-interest bearing and have terms for repayment. As of December 31, 2016 and 2015, due from a shareholder amounted to $34,398 and $-0-, respectively. As of December 31, 2016 and 2015, due to a shareholder amounted to $-0- and $203,675, respectively.

Note 9 - Capital Stock

Capital stock consisted of 200 authorized shares of no par value common stock, of which 200 shares were issued and outstanding.

Note 10 - Income Taxes

The (benefit from) provision for income taxes consists of the following charges to continuing operations for the year ended December 31:

	2016	2015
Current:		
Federal	$ -	$ -
State	2,000	638
	2,000	638
Deferred:		
Federal	(167,895)	-
State	(29,629)	-
	(197,524)	-
	$ (195,524)	$ 638

Note 10 - Income Taxes (cont'd.)

The deferred tax assets at December 31 consist of the following:

	2016	2015
Net operating loss carryforwards	$ 189,808	$ -
Depreciation book and tax difference	7,716	-
	$ 197,524	$ -

No valuation allowance has been provided against the deferred tax assets since it is more likely than not that it will be realized.

Note 11 - Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. For its financial statements as of December 31, 2016, management of the Company determined that there were no reportable subsequent event(s) to be disclosed through the date of this report, which is the date these financial statements were available to be issued.

Note 12 - Commitments and Contingencies

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire in various dates from 2019 to 2021. The leases require payment of base lease payments plus the Company's share of operating expenses. Rent expense for the years ended December 31, 2016 and 2015 were $123,286 and $89,947, respectively.

Future minimum rental payments over the next five years under these lease agreements are as follows for years ending December 31:

2017	$ 70,390
2018	71,150
2019	59,233
2020	40,112
2021	16,433
2022 and thereafter	-
	$ 257,318

Note 12 - Commitments and Contingencies (cont'd.)

Payroll taxes

For the years ended December 31, 2016 and 2015 the Company had unpaid Federal payroll taxes of $23,388 and $21,423, respectively. The Internal Revenue Service attached a lien on the Company's properties to secure the unpaid payroll taxes. In November 2017, all past due amounts have been satisfied and the Federal liens have been released.

Contingencies

The Company is involved in litigation arising in the ordinary course of business. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Company.

Note 13 -New Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (the "FASB") issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for reporting periods beginning after December 15, 2019. The Company will apply the guidance using the modified retrospective approach. The Company does not expect these amendments to have a material effect on its financial statements.

Going Concern Consideration

In August 2014, the FASB issued guidance that is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing the financial statements, management will need to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The amendments will be effective for the period ending after December 15, 2016. The Company does not expect these amendments to have a material effect on its financial statements.

Note 13 -New Accounting Pronouncements (cont'd.)

Extraordinary Items

In January 2015, the FASB issued guidance to eliminate from U.S. GAAP the concept of an extraordinary item, which is an event or transaction that is both (1) unusual in nature and (2) infrequent occurring. Under the new guidance, an entity will no longer segregate an extraordinary item from the results of ordinary operations. The amendments will be effective for period beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The Company will apply the guidance prospectively. The Company does not expect these amendments to have a material effect on its financial statements.

Leases

In February 2016, the FASB issued guidance to improve the financial reporting about leasing transactions. Under the new guidance, a lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The new guidance will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new guidance will be effective for periods beginning after December 15, 2019, with early adoption permitted. The Company does not expect this new guidance to have a material effect on its financial statements.

Other

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

SUPPLEMENTARY INFORMATION

PRO-THOTICS TECHNOLOGY, INC.

Supplementary Information
Schedules of Selling, General and Administrative Expenses
For the Years Ended December 31,

	2016	2015
Consultants	$ 1,151,800	$ 275,195
Salaries	929,040	727,726
Advertising and promotions	759,489	50,537
Payroll taxes and employee benefits	148,192	141,366
Rent	123,286	89,947
Office	81,605	81,233
Professional fees	75,972	44,438
Computer	44,334	34,574
Automobile	42,118	28,425
Meals and entertainment	38,774	52,759
Travel	35,881	49,312
Depreciation and amortization	23,951	22,283
Miscellaneous	106,664	107,948
	$ 3,561,106	$ 1,705,743

See independent auditors' report.

EXHIBIT B2

TARGET'S UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR

2017

Advanced Bioceuticals Limited LLC.
Proforma Consolidated Balance Sheet - Unaudited
December 31, 2017

	ABL (Unaudited)	Prothotics	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ -	$ 3,045	$ -	$ 3,045
Accounts receivable, net of allowance for doubtful accounts of $66,315 in 20:	-	565,234	-	565,234
Due from a stockholder	-	104,771	-	104,771
	-	673,050	-	673,050
PROPERTY AND EQUIPMENT, NET	-	51,733	-	51,733
OTHER ASSETS:				
Deferred tax assets	-	345,283	-	345,283
Security deposit	-	5,551	-	5,551
	-	350,834	-	350,834
	$ -	$ 1,075,617	$ -	$ 1,075,617
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Current maturities of long term debt	$ -	$ 758,222	$ -	$ 758,222
Accounts payable and accrued expens	-	374,830	-	374,830
Payroll taxes payable	-	8,541	-	8,541
Merchant cash advances	-	335,690	-	335,690
Due to third party billing clients	-	-	-	-
Due to related companies	-	357,617	-	357,617
	-	1,834,900	-	1,834,900
LONG TERM DEBT, NET OF CURRENT MATURITIES	-	-	-	-
	-	1,834,900	-	1,834,900
STOCKHOLDERS' DEFICIT:				
Capital stock	-	2,000	-	2,000
Accumulated deficit	-	(761,283)	-	(761,283)
	-	(759,283)	-	(759,283)
	$ -	$ 1,075,617	$ -	$ 1,075,617

The accompanying notes are an integral part of these financial statements.

Advanced Bioceuticals Limited LLC
Proforma Consolidated Statement of Income and Accumulated Deficit - Unaudited
For the Year Ended December 31, 2017

	ABL (Unaudited)	Prothotics	Eliminations	Consolidated
NET SALES	$ -	$ 2,536,802	$ -	$ 2,536,802
COST OF SALES	-	462,272	-	462,272
GROSS PROFIT	-	2,074,530	-	2,074,530
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	-	2,287,908	-	2,287,908
OPERATING LOSS	-	(213,378)	-	(213,378)
OTHER INCOME (EXPENSES):				
Loss on sale of future receivables and related fees	-	(120,716)	-	(120,716)
Interest	-	(137,107)	-	(137,107)
Bank charges	-	(31,688)	-	(31,688)
Third Party Billing service income	-	168,637	-	168,637
	-	(120,874)	-	(120,874)
LOSS BEFORE PROVISION FOR INCOME TAXES	-	(334,252)	-	(334,252)
(BENEFIT FROM) PROVISION FOR INCOME TAXES:				
Current	-	-	-	-
Deferred	-	(147,759)	-	(147,759)
	-	(147,759)	-	(147,759)
NET LOSS	-	(186,493)	-	(186,493)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	-	(574,790)	-	(574,790)
ACCUMULATED DEFICIT, END OF YEAR	$ -	$ (761,283)	$ -	$ (761,283)

The accompanying notes are an integral part of these financial statements.

Advanced Bioceuticals Limited LLC.

Supplementary Information

Proforma Consolidated Schedule of Selling, General and Administrative Expenses - Unaudited

For the Year Ended December 31, 2017

	ABL (Unaudited)	Prothotics	Eliminations	Consolidated
Consultants	$ -	$ 721,195	$ -	$ 721,195
Advertising and promotions	-	623,975	-	623,975
Salaries	-	218,969	-	218,969
Professional fees	-	195,756	-	195,756
Shipping and handling	-	114,375	-	114,375
Billing services	-	81,927	-	81,927
Bad debt	-	74,495	-	74,495
Rent	-	69,462	-	69,462
Payroll taxes and employee bene	-	58,526	-	58,526
Computer	-	25,666	-	25,666
Depreciation and amortization	-	23,951	-	23,951
Office	-	20,178	-	20,178
Automobile	-	16,591	-	16,591
Travel	-	5,639	-	5,639
Miscellaneous	-	37,203	-	37,203
	$ -	$ 2,287,908	$ -	$ 2,287,908

Note 1 - Operation and Nature of Operations

Advanced Bioceuticals Limited LLC was incorporated in the State of New Jersey as a Limited Liability Company on January 31, 2018 and has acquired 100% of Pro-Thotics Technology, Inc. (DBA Pro-thotics Health) (the "Company") which was incorporated in the State of New York in November 1988. The Company is a durable medical equipment (DME) company that provides braces, orthotic and prosthetic products to patients throughout the United States via clinician services and mail delivery business. The business specializes in braces, orthotics and prosthetics, wound-care devices, treatment of neuro-muscular disorders, sports rehabilitation bracing, spinal orthotics and custom-made footwear. The Company also operates as a third party biller on behalf of other DME providers whereby it processes medical claims and payments for the other providers.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Accounts receivable are written-off when they are determined to be uncollectible.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounts Receivable (cont'd.)

As of December 31, 2017, an allowance for doubtful accounts has been established amounting to $66,315.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over 7 years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Accelerated methods of depreciation are used for income tax reporting. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

The Company recognizes revenue from sales of its products upon delivery to customers.

The Company recognizes revenue from its third party billing practice upon receipt of the amounts billed to the health insurance company. The revenue is presented net of the payments to the health care provider.

All other revenue is recognized as earned.

Shipping and Handling Costs

The Company generally records shipping and handling costs incurred as a selling expense and records shipping and handling costs billed to customers to net sales in accordance with the Emerging Issues Task Force ("EITF") Issue No. 00-10, "Classification of Shipping and Handling Costs."

Shipping and handling costs billed to customers for the year ended December 31, 2017 was $114,375.

Advertising and Promotions

Advertising and promotions are expensed as incurred. Total advertising and promotions for the year ended December 31, 2017 was $623,975.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Income Taxes

On August 1, 1989 the Company elected to be treated as a pass-through entity for income tax purposes (S-Corporation) and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by its stockholders on their respective income tax returns. The Company's federal tax status as a pass-through entity is based on its legal status as an S-Corporation as provided under Section 1362(a) of the Internal Revenue Code.

Effective March 3, 2016 the Company's S-Corporation status terminated and the Company will utilize the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, "Income Taxes" ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the year ended 2017.

The Company files federal and various state income tax returns. The Company is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013. The Company files its income tax returns on cash basis.

Note 3 - Concentration of Risk

The Company maintains its cash balances in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the FDIC limit at December 31, 2017. Although the balances in these accounts exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Purchases generated by the top ten vendors of the Company accounted for 30% of total purchases for the year ended December 31, 2017.

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31, 2017:

Leasehold improvements	$	126,451
Furniture and fixtures		12,100
		138,551
Less accumulated depreciation and amortization		86,818
	$	51,733

Depreciation and amortization expense was $23,951 for the year ended December 31, 2017.

Note 5 - Merchant Cash Advances

The Company entered into various future receivable sale agreements to secure working capital to expand its mail-order operations. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The proceeds from these agreements during 2017 was $246,547, net of $3,453 of related fees. The resulting loss from these agreements amounted to $117,263 for the year ended December 31, 2017. The loss and related fees are included in the loss on sale of future receivables and related fees in the statement of income and accumulated deficit.

As of December 31, 2017, merchant cash advances was $335,690.

Note 6 - Long Term Debt

Long term debt consists of the following at December 31, 2017:

This represents the outstanding balance of an unsecured note payable to Rosa Affenita, a related party, with an original amount of $120,000, dated March 20, 2013, with interest rate at 5% per annum. The loan is payable in monthly installments of $2,764, with a final payment due March 1, 2017.The Company has not satisfied the repayment terms of the note as of the date of the report. The parties had a mutual agreement that payment will be made when cash flow is available.	$	8,222
Balance carried forward	$	8,222

Note 6 - Long Term Debt (cont'd.)

Long term debt consists of the following at December 31, 2017 (cont'd.):

		2017	2016
Balance brought forward	$	8,222	
This represents the outstanding balance of an unsecured note payable to Michael Semler, an unrelated party, with an original amount of $25,000, dated August 18, 2016, with interest rate at 4% per month on the unpaid principal balance. The note matured on October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. As of the date of the report, the Company is currently negotiating an extension.		250,000	
This represents the outstanding balance of a secured note payable to an unrelated entity, with an original amount of $500,000, dated July 7, 2017, with interest rate at 12% per annum. The note is due in full on July 6, 2018. The note contains a conversion feature whereby once elected by Lender in writing and delivered to the Company, then the outstanding principal balance of this note shall immediately and automatically, without any further action by the Lender or Company, be converted into the Equity Interest set forth in the Loan and Security Agreement. In addition the note provides that there shall be no distributions of any type by the Company prior to the maturity date of this Loan, except for expenses defined in the security agreement.		500,000	
		758,222	
Less current maturities		758,222	
	$	-	

As of December 31, 2017, all of the Company's debts will mature in 2018.

Note 7 - Related Party Transactions

The following is a summary of related party transactions covered by agreements:

The Company entered into a client service agreement with NY DME Consultants, L.L.C. ("NY DME"), a related party. NY DME will provide the Company billing and other related services and bill payment services. The fee for the said services is 10% of collections received. For the year ended December 31, 2017, the company, pursuant to said agreement, paid NY DME $351,924. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The Company entered into an independent contractor agreement with Pegasus DME, Inc. ("Pegasus"), a related party, dated April 12, 2015. Pegasus will provide the Company with durable medical equipment and related products and services. For the year ended December 31, 2017, the Company, pursuant to the agreement, paid Pegasus $1,500. The payments are included in consultants in the schedule of selling, general and administrative expenses.

The following is a summary of transactions between the Company and Global1 for years ended December 31, 2017:

Cost of sales:	
Purchase of durable medical equipment	$ 37,678
Selling, general and administrative expenses:	
Consulting fees	$ 220,129
Advertising and promotions	$ 124,724
Professional fees	$ 6,500

The following is a summary of transactions between the Company and National Brace, Inc. ("National Brace") for years ended December 31, 2017:

Cost of sales:	
Purchase of durable medical equipment	$ 198,256
Selling, general and administrative expenses:	
Advertising and promotions	$ 329,992
Shipping and handling	$ 97,645
Billing services	$ 81,927

In 2017, the Company paid MMVX $121,317 for consulting fee.

Note 7 - Related Party Transactions (cont'd.)

The Company in the ordinary course of business, obtains from and grants cash advances to related parties. These advances are unsecured, non-interest bearing and have terms for repayment.

Amounts due from a stockholder as of December 31, 2017, amounted to $104,771.

Amounts due to related companies at December 31, 2017, consist of the following:

National Brace	$ 212,879
NY DME	144,738
	$ 357,617

Note 8 - Capital Stock

Capital stock consisted of 200 authorized shares of no par value common stock, of which 200 shares were issued and outstanding.

Note 9 - Income Taxes

The (benefit from) provision for income taxes consists of the following charges to continuing operations for the year ended December 31, 2017:

Current:	
Federal	$ -
State	-
	-
Deferred:	
Federal	(100,658)
State	(47,101)
	(147,759)
	$ (147,759)

Note 9 - Income Taxes (cont'd.)

The deferred tax assets at December 31, 2017, consist of the following:

Net operating loss carryforwards	$ 316,961
Allowance for doubtful accounts	17,905
Depreciation book and tax difference	10,417
	$ 345,283

No valuation allowance has been provided against the deferred tax assets since it is more likely than not that it will be realized.

Note 10 - Subsequent Events

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. For its financial statements as of December 31, 2017, management of the Company determined that there were no reportable subsequent events to be disclosed through the date of this report, which is the date these financial statements were available to be issued.

Note 11 - Commitments and Contingencies

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire in various dates from 2019 to 2021. The leases require payment of base lease payments plus the Company's share of operating expenses. Rent expense for the year ended December 31, 2017 was $69,462.

Future minimum rental payments over the next five years under these lease agreements are as follows for years ending December 31:

2018	$ 58,286
2019	46,369
2020	34,752
2021	16,433
2022	-
2023 and thereafter	-
	$ 155,840

Note 11 - Commitments and Contingencies

Contingencies

The Company is involved in litigation arising in the ordinary course of business. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Company.

Note 12 -New Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (the "FASB") issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for reporting periods beginning after December 15, 2019. The Company will apply the guidance using the modified retrospective approach. The Company does not expect these amendments to have a material effect on its financial statements.

Going Concern Consideration

In August 2014, the FASB issued guidance that is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing the financial statements, management will need to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The amendments will be effective for the period ending after December 15, 2016. The Company does not expect these amendments to have a material effect on its financial statements.

Leases

In February 2016, the FASB issued guidance to improve the financial reporting about leasing transactions. Under the new guidance, a lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The new guidance will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new guidance will be effective for periods beginning after December 15, 2019, with early adoption permitted. The Company does not expect this new guidance to have a material effect on its financial statements.

Note 12 -New Accounting Pronouncements (cont'd.)

Other

Other accounting standards that have been issued or proposed by the FASB or other standard–setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

EXHIBIT B3

TARGET'S UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR

Q3,Q2,Q1 2018

And

MD&A for Q3 2018

squarmilner

Certified Public Accountants
and Financial Advisors

Advanced Bioceuticals Limited LLC and Subsidiaries

Consolidated Financial Statements

September 30, 2018

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

squarmilner

Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members of
Advanced Bioceuticals Limited LLC

We have reviewed the accompanying consolidated financial statements of Advanced Bioceuticals Limited LLC and its subsidiaries (collectively "the Company"), which comprise the consolidated balance sheet as of September 30, 2018, the related consolidated statements of operations, members' deficit and cash flows for the nine months ended September 30, 2018, and the related notes to the financial statements (collectively the "financial statements"). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has previously suffered recurring losses from operations and has a net capital deficiency that raises an uncertainty about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

Squar Milner LLP

Newport Beach, California
December 12, 2018

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED BALANCE SHEET
September 30, 2018

ASSETS

Current Assets		
Cash	$	4,508
Accounts receivable, net		2,367,030
Total current assets		2,371,538
Property and Equipment, net		33,769
Other Assets		146,693
Total assets	$	2,552,000

LIABILITIES AND MEMBERS' DEFICIT

Current Liabilities		
Accounts payable and accrued expenses	$	486,728
Notes payable and cash advances		735,523
Due to related companies, net		574,564
Total current liabilities		1,796,815
Note Payable to a Related Company (Note 5)		1,100,000
		2,896,815
Commitments and Contingencies (Note 6)		
Members' Deficit		(344,815)
Total liabilities and members' deficit	$	2,552,000

 The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF OPERATIONS
For the Nine Months Ended September 30, 2018

NET SALES	$ 3,528,025
COST OF SALES	842,024
GROSS PROFIT	2,686,001
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,945,713
INCOME BEFORE INTEREST EXPENSE AND PROVISION FOR INCOME TAXES	740,288
INTEREST EXPENSE	121,679
INCOME BEFORE PROVISION FOR INCOME TAXES	618,609
PROVISION FOR INCOME TAXES	204,141
NET INCOME	$ 414,468

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT
For the Nine Months Ended September 30, 2018

BALANCE – January 1, 2018	$	(759,283)
Net income		414,468
BALANCE – September 30, 2018	$	(344,815)

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Nine Months Ended September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 414,468
Adjustments to reconcile net income to net cash provided by operating activities:	
Insurance discounts and adjustments	833,685
Bad debt expense	104,771
Depreciation and amortization	17,964
Changes in assets and liabilities:	
Accounts receivable	(2,635,481)
Other assets	204,141
Accounts payable and accrued expenses	103,357
Due to related companies	1,316,947
Net cash provided by operating activities	359,852
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayments of notes payable and cash advances	(358,389)
Net cash used in financing activities	(358,389)
Net increase in cash	1,463
CASH – beginning of period	3,045
CASH – end of period	$ 4,508
NONCASH INVESTING AND FINANCING SUPPLEMENTAL DISCLOSURE	
Refinancing of accounts payable to a related company to a long term note (Note 5)	$ 1,100,000

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Advanced Bioceuticals Limited LLC (the "Company" or "ABL") was incorporated in the State of New Jersey on January 31, 2018. On February 1, 2018 the Company entered into a stock purchase agreement with Pro-Thotics Technology Inc. ("PTI"), an entity under common control, whereby the Company acquired 100% of PTI's issued and outstanding shares in exchange for the Company's membership units ("Acquisition"), making PTI a wholly owned subsidiary of the Company. The Acquisition was accounted for at historical cost in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*.

The accompanying consolidated financial statements give effect to the Acquisition on February 1, 2018. In accordance with paragraph ASC 805-50-45-2, the accompanying consolidated financial statements report results of operations, changes in members' deficit and cash flows for the period in which the Acquisition occurred as though the Acquisition had occurred at the beginning of the period.

PTI is a durable medical equipment ("DME") company that provides braces and orthotic products to patients throughout the United States via clinician services and mail delivery business.

On March 22, 2018, the Company entered into an Acquisition and Share Exchange Agreement with Nass Valley Gateway Ltd ("NVG"), a Canadian Public Company, under which NVG will be acquiring, subject to the satisfaction of certain conditions, by an exchange of 89.27% of its shares, 100% of the members interest of ABL. As of the date of this report, the closing of such transaction has not been consummated as the conditions under the agreement have not been fully satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ABL and its wholly owned subsidiary, PTI. All intercompany transactions and balances have been eliminated.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of obligations in the normal course of business. The Company has previously suffered recurring losses from operations and has an accumulated deficit of approximately $345,000. The Company's activities will necessitate significant uses of working capital beyond September 30, 2018. The Company is focused on managing costs in line with current revenue levels and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern (continued)

is projecting significant increases in revenue for the remainder of 2018 and beyond. In addition, as described in Note 5 to the accompanying consolidated financial statements, the Company was able to refinance $1,100,000 of its short term obligation to National Brace Inc. ("National Brace"), a related party, to a long term promissory note. Management continues to seek additional financing from related parties to meet its short-term obligations and fund its operations. However, there can be no assurance that anticipated revenues will be realized, that the Company will be able to successfully implement its plans, or that suitable financing will be available on acceptable terms, on a timely basis, or at all.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of September 30, 2018.

Cash balances are maintained in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation ("FDIC"). The Company did not exceed the FDIC limit as of September 30, 2018. Although the balances in these accounts exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts and insurance discounts and adjustments. The Company estimates the allowance based upon a review of outstanding receivables and historical collection information by insurance company and customer. Accounts receivable are written-off when they are determined to be uncollectible.

As of September 30, 2018, an allowance for doubtful accounts and insurance discounts and adjustments has been established amounting to $900,000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over seven years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

Revenue is recognized when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the fee is fixed or determinable, (iii) collection is reasonably assured, and (iv) delivery has occurred or services have been rendered. Typically, these criteria are met and the Company recognizes revenue upon delivery of the Company's products to patients. Net sales on the accompanying statement of operations are reported net of insurance discounts and adjustments which amounted to $833,685 for the nine months ended September 30, 2018.

Some of the Company's sales programs allow customers limited product return rights. Management estimates potential future product returns and exchanges and reduces current period product revenue. Actual returns may vary from estimates if the Company experiences a change in actual sales, returns or exchange patterns due to unanticipated changes in products, or competitive and economic conditions. There was no allowance for product returns as of September 30, 2018.

Advertising and Promotions

Advertising and promotions are expensed as incurred. Total advertising and promotions for the nine months ended September 30, 2018 were $442,597, of which $239,834 is included in cost of sales and $202,763 is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Income Taxes

As a limited liability company, the Company is subject to certain minimal taxes and fees; however, income taxes on income or loss reported by the Company are the obligation of the members.

The Company's wholly owned subsidiary, PTI, is treated as a C-Corporation for income tax purposes and utilizes the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, *Income Taxes* ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the Company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the nine months ended September 30, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Company files federal and various state income tax returns. PTI is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013.

Significant Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in Revenue Recognition (Topic 605), and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018, and is to be applied retrospectively, including interim periods within that reporting period. The Company's management is currently evaluating the impact of this new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This update requires that all leases be recognized by lessees on the balance sheet through a right-of-use asset and corresponding lease liability. This standard is required to be adopted for annual periods beginning after December 15, 2019. The Company's management is currently evaluating the impact of this new standard.

Subsequent Events

The Company evaluated subsequent events for their potential impact on the consolidated financial statements and disclosures through December 12, 2018, which is the date the financial statements were available to be issued. The Company has concluded that no events have occurred subsequent to September 30, 2018 that require adjustments to, or disclosure in, its consolidated financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2018:

Leasehold improvements	$	126,451
Furniture and fixtures		12,100
		138,551
Less accumulated depreciation and amortization		(104,782)
	$	33,769

Depreciation and amortization expense was $17,964 for the period ended September 30, 2018, and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

4. NOTES PAYABLE AND CASH ADVANCES

Notes Payable

On August 18, 2016, PTI entered into a promissory note agreement with an unrelated party for an original amount of $250,000. The note bears interest at a rate of 4% per month and had an original maturity date of October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. The note is still outstanding and the Company is currently negotiating an extension or another form of settlement with the lender. As of September 30, 2018, the outstanding balance on the note was $250,000, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. Interest expense for the nine months ended September 30, 2018 amounted to $90,000 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $254,604 as of September 30, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

On July 7, 2017, PTI entered into a secured promissory note agreement with a financial institution for borrowing up to $500,000. The note bears interest at a rate of 12% per annum and is secured by the Company's accounts receivable. All unpaid principal and interest were due in full on July 6, 2018. The note is still outstanding and the Company is currently negotiating an extension or another form of settlement with the lender. The outstanding balance on the note was $250,000 as of September 30, 2018, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. Interest expense for the nine months ended September 30, 2018 amounted to $31,250 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $46,883 as of September 30, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

Cash Advances

PTI entered into various future receivable sale agreements to secure working capital. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The Company has not entered into any new agreements during 2018. As of September 30, 2018, merchant cash advances were $235,523, which are included in notes payable and cash advances on the accompanying consolidated balance sheet.

5. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions covered by agreements:

PTI entered into a consulting agreement with Global1 Solutions, LLC ("Global1"), a related party under common ownership, under which, Global1 provides PTI consulting services and broker relationships with marketing companies. For the nine months ended September 30, 2018, PTI incurred and paid $15,000 for consulting fees and marketing expenses pursuant to the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

5. RELATED PARTY TRANSACTIONS (continued)

PTI entered into a management services agreement with NY DME, LLC ("NY DME"), a related party owned by the Company's president. NY DME provides durable medical equipment and related services and supplies to patients pursuant to the agreement. The fee for the said services is 10% of weekly collected income, as defined. For the nine months ended September 30, 2018, PTI incurred $182,544 for services provided under the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of September 30, 2018, total amount owed to NY DMY was $265,852, which is included in due to related companies on the accompanying consolidated balance sheet.

PTI entered into consulting arrangements with MMVX, LLC ("MMVX"), a related party owned by a family member, whereby MMVX provides PTI consulting services. For the nine months ended September 30, 2018, PTI incurred and paid $98,850 for consulting fees. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

PTI entered into arrangements with Pegasus DME, Inc. ("Pegasus"), a related party under common ownership, under which, Pegasus provides PTI with durable medical equipment and related products and services. For the nine months ended September 30, 2018, no expenses were incurred under such arrangements. As of September 30, 2018, total amount owed to Pegasus was $15,397, which is included in due to related companies on the accompanying consolidated balance sheet.

PTI entered into a management services agreement with National Brace, a related party under common ownership. Pursuant to the agreement, National Brace provides certain management services, including but not limited to, receiving and reviewing prescriptions for DME, checking patient insurance benefits, communicating with prescribing physicians and/or patients and arranging the shipping of the prescribed products. Management fees under the agreement equal to $21,750 per week. In addition, PTI reimburses National Brace for the full cost of the services provided. For the nine months ended September 30, 2018, management fees under the agreement totaled $848,250, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. Reimbursements under the agreement totaled $315,025 of which $191,082 is for purchases of DME and is included in cost of sales, and $123,943 for marketing costs and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of September 30, 2018, the total amount owed to National Brace was $1,412,963, which is included in due to related companies on the accompanying consolidated balance sheet.

On November 30, 2018, the Company entered into a promissory note agreement with National Brace, under which, $1,100,000 of the outstanding balance due to National Brace, was refinanced to a long term obligation due on May 31, 2020. The note is unsecured and accrues interest at a rate of 5% per annum. The Company accounted for the transaction in accordance with ASC 470-10-45 and reclassified the refinanced balance to noncurrent as of September 30, 2018.

6. COMMITMENTS AND CONTINGENCIES

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire on various dates between February 2019 and July 2021. The leases require payment of base lease payments plus the Company's share of operating expenses. Rent expense for the nine months ended September 30, 2018 was $83,393, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Future minimum rental payments under these lease agreements are as follows for years ending September 31:

2019	$	74,852
2020		55,449
2021		23,486
	$	153,787

Contingencies

The Company is a defendant in litigation matter with a third party claiming to be owed $455,000 in connection with a former billing relationship. Management intends to vigorously pursue resolution of this legal claim; however, the outcome cannot be determined at this time. The consolidated financial statements do not include any adjustments that may result from the outcome of this matter.

During the ordinary course of the Company's business, it is subject to various other claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flow.

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Advanced Bioceuticals Ltd. ("ABL" or the "Company"). The information herein should be read in conjunction with the financial statements for the nine months ended September 30, 2018. The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in United States dollars unless otherwise stated.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised primarily of independent directors. The audit committee reviews and approves this disclosure prior to its publication, pursuant to the authority delegated to it by the Board of Directors.

Description of Business and Overall Performance

Pro-Thotics Technology Inc ("PTI") was incorporated in September 1988 in the State of New York and has been a Durable Medical Equipment Supplier ("DME") since inception. On April 3, 2016 Global1 Solutions LLC and National Brace Inc. purchased 100% of PTI, expanding the business into a national marketer of off the shelf Orthotics to a broad base of patients based throughout the United States.

The Company at that time had offices in Patchogue, New York and Tamarac, Florida. The main business was that of custom fit orthotics, with patients generated by salesman and hospitals. The Company also sold arterial compression devices, lymphedema pumps and prosthetics.

Subsequently to taking over in 2016, the new management decided to change the business model from custom fit to drop ship / mail order model. The sales of the compression devices, lymphedema pumps and prosthetics were phased out. In addition the Company also stopped 3rd party billing. This resulted in revenues declining from 2016 to 2017.

During 2017 sales steadily improved and continued into 2018.

ABL was incorporated on January 31, 2018 in the State of New Jersey and on February 1, 2018 acquired 100% of PTI. Global1 Solutions LLC and National Brace Inc each became a 50% shareholder of ABL in an exchange of equity of a company under common control.

On March 22, 2018 the Company entered into a Definitive Acquisition and Share Exchange Agreement whereby the Nass Valley Gateway Ltd acquires a 100% interest in Advanced Bioceuticals Limited and its wholly owned subsidiary Pro-Thotics Technologies Inc. in exchange for 89.27% of the common shares of the Nass Valley Gateway Ltd. Since ABL will own a majority of the common shares of the Company subsequent to the CSE approval, the proposed transaction together with the recapitalization, will be considered as a reverse takeover ("RTO").

Future Developments

Subsequent to the approval by the CSE the Company is determined to expand upon its pain relief concept and ABL will aggressively continue to focus on the expansion of the current PTI operations.

With its operations, presently conducted by PTI, in New York, New Jersey and Florida and its existing national marketing and advertising campaigns, ABL has also action plans to market CBD products extracted from Industrial Hemp, such as CBD infused skin, bath, and body care products to the U.S.

Highlights and Subsequent Events

As at the date of this report the Company has received the approval of the financial review of every quarter as a very important part of the submitted Listing statement ("Form 2A") but is still waiting for final approval by the CSE.

FINANCING

During the nine months ended September 30, 2018 the Company used financing from related parties to significantly expand its business. The Company was able to pay down certain loans from third party lenders and to continue to pay down the merchant cash advance previously received. The Company anticipates that it will continue to receive financing from related parties to further expand. On November 30, 2018 short term loan of $1,100,000 was converted to a long term loan to improve the liquidity of the Company. The Company has also been in contact with the insurance companies to streamline the paperwork required for patient claims to be paid with a view of reducing the time taken to pay the Company and thereby increasing the cash flow to the Company.

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Results of Operations

The nine months ended September 30, 2018.

During 2017 the Company did not break out its figures on a quarterly or interim basis as it was a private company and there was no need at the time.

Further the Company did not keep an integrated accounts payable system, so it would be exceptionally difficult, time consuming and costly to re-create the quarters. In addition, during the second half of 2017, the Company moved over from a very cumbersome billing system which in itself did not allow for the integration of accounts receivable. The new system is now able to integrate with all accounting and CRM systems on a daily basis. Again it would be exceptionally difficult, time consuming and costly to re-create the accurate accounts receivable for the quarter.

Under the IFRS concept of impracticability no comparable figures have been provided for the nine months ended September 30, 2017.

Selected quarterly information

	September 30, 2018	June 30, 2018	March 31, 2018	Total
Sales	1,330,242	968,439	1,229,344	3,528,025
Selling General & Admin	386,699	854,498	704,516	1,945,713
Interest Expense	36,466	36,183	49,030	121,679
Tax	157,486	(44,156)	90,811	204,141
Net Profit for Quarter	319,744	(87,649)	182,373	414,468

Total Assets	2,552,000	2,116,677	1,774,005
Working Capital (deficiency)	574,723	(1,008,495)	(880,678)
Members Deficit	(344,815)	(664,559)	(576,910)

(i) Revenue has been increasing due to hiring of outside lead generators and an increase in spending on Advertising and Promotion.

(ii) The increase in Revenue has also resulted in a large increase in the Accounts Receivable. All Orthotics sold are billed to Medicare and the insurance companies for payment. A common practice for Medicare and the insurance companies is to perform random audits on the claims submitted. During the second and third quarter a staff member that overseas the audit process did not submit the required documents to an insurance company that is responsible for a large portion of the claims billed. That insurance company stopped payments to the Company until all documentation had been received. The matter was satisfactorily resolved with the insurance company and payments to the Company commenced again during the fourth quarter. The department that overseas the audit process has been revamped and is now directly administered by management. This delay in payments by the insurance company has resulted in an increase in the Accounts Receivable balance.

(iii) During the nine months ended September 30, 2018, PTI entered into an aggressive marketing campaign to increase revenues. In order to accomplish this objective PTI concentrated on taking patients with private insurances as opposed to Medicare. With the private insurances there are a myriad of different plans with many different deductibles and co-pays. All billings to the insurance companies are gross billings. Once the claim has been adjudicated an Explanation of Benefits ("EOB") accompanies the payment to PTI. Once the EOB is received an adjustment is made to the Accounts Receivable to reflect the deductibles, co-pays and amounts not covered by the insurance company. In reviewing past billings and receipts, the Company believes a provision of $900,000 is needed against the Accounts Receivable to adjust for these deductibles, co-pays and non-covered items. The adjustments to the relevant Accounts Receivable will be made once the EOB's are received.

Previously this provision was made with an expense under Selling General & Admin Expense for Bad Debt provision. The following amounts were provided In the quarters ended March $84,033 and June $290,661 and September $0. In addition, a bad debt of $104,771 was written off in the quarter ended June. During the quarter ended September 30, 2018, the Directors of the Company in consultation with ABL's auditors believed a more accurate method of accounting for these adjustments is to write that amount off of Sales. $458,991was written off sales for the third quarter.

September 30, 2018	June 30, 2018	March 31, 2018	Year to Dec 31, 2017	Total Provision
458,991	290,661	84,033	66,315	900,000

(iv) Working Capital ratio is improving due to increased sales and profitability and the conversion of $1,100,000 short term loan owed to a related party into a long term loan.

(v) The Members Deficit is reducing due to increased profitability.

Related Party Transactions

During the nine months ended September 30, 2018 the Company entered into the following transactions with related parties.

PTI entered into a consulting agreement with Global1 Solutions, LLC ("Global1"), a related party under which, Global1 provides PTI consulting services and broker relationships with marketing companies. For the nine months ended September 30, 2018, PTI incurred and paid $15,000 for consulting fees and marketing expenses pursuant to the agreement. Such amount is included in selling, general and administrative expenses on the consolidated statement of operations.

PTI entered into a management services agreement with NY DME, LLC ("NY DME"), a related party owned by the Company's president. NY DME provides durable medical equipment and related services and supplies to patients pursuant to the agreement. The fee for the said services is 10% of weekly collected income, as defined. For the nine months ended September 30, 2018, PTI incurred $182,544 for services provided under the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of September 30, 2018, total amount owed to NY DMY was $265,852, which is included in due to related companies on the consolidated balance sheet.

PTI entered into consulting arrangements with MMVX, LLC ("MMVX"), a related party owned by a family member, whereby MMVX provides PTI consulting services. For the nine months ended September 30, 2018, PTI incurred and paid $98,850 for consulting fees. Such amount is included in selling, general and administrative expenses on the consolidated statement of operations.

PTI entered into arrangements with Pegasus DME, Inc. ("Pegasus"), a related party under which, Pegasus provides PTI with durable medical equipment and related products and services. For the nine months ended September 30, 2018, no expenses were incurred under such arrangements. As of September 30, 2018, total amount owed to Pegasus was $15,397, which is included in due to related companies on the consolidated balance sheet.

PTI entered into a management services agreement with National Brace, a related party. Pursuant to the agreement, National Brace provides certain management services, including but not limited to, receiving and reviewing prescriptions for DME, checking patient insurance benefits, communicating with prescribing physicians and/or patients and arranging the shipping of the prescribed products. Management fees under the agreement equal to $21,750 per week. In addition, PTI reimburses National Brace for the full cost of the services provided. For the nine months ended September 30, 2018, management fees under the agreement totaled $848,250, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. Reimbursements under the agreement totaled $315,025 of which $191,082 is for purchases of DME and is included in cost of sales, and $123,943 for marketing costs and is included in selling, general and administrative expenses on the consolidated statement of operations. As of September 30, 2018, the total amount owed to National Brace was $1,412,963, which is included in due to related companies on the consolidated balance sheet.

On November 30, 2018, the Company entered into a promissory note agreement with National Brace, under which, $1,100,000 of the outstanding balance due to National Brace, was refinanced to a long term obligation due on May 31, 2020. The note is unsecured. The Company accounted for the transaction in accordance with ASC 470-10-45 and reclassified the refinanced balance to noncurrent as of September 30, 2018.

Off Balance Sheet Arrangements

The Company doesn't have any off-balance sheet arrangements.

Directors and Officers

Samuel Alawieh	Chief Executive Officer
Gregory Vax	Director
Michael Racaniello	Director
Michael Semler	Chief Financial Officer

Financial Instruments

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

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward-looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events.

Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at December 13, 2018.

"Samuel Alawieh"

On behalf of the Board
Samuel Alawieh
Chief Executive Officer
December 13, 2018

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Certified Public Accountants
and Financial Advisors

Advanced Bioceuticals Limited LLC and Subsidiaries

Consolidated Financial Statements

June 30, 2018

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Squar Milner LLP

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members of
Advanced Bioceuticals Limited LLC

We have reviewed the accompanying consolidated financial statements of Advance Bioceuticals Limited LLC and its subsidiaries (the Company), which comprise the consolidated balance sheet as of June 30, 2018, the related consolidated statements of operations, members' deficit and cash flows for the six months then ended, and the related notes to the financial statements (collectively, the financial statements). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has previously suffered recurring losses from operations and has a net capital deficiency that raises an uncertainty about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

Squar Milner LLP

Newport Beach, California
September 5, 2018

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED BALANCE SHEET
June 30, 2018

ASSETS

Current Assets	
Cash	$ 8,706
Accounts receivable, net	1,764,035
Total current assets	1,772,741
Property and Equipment, net	39,757
Other Assets	304,179
Total assets	$ 2,116,677

LIABILITIES AND MEMBERS' DEFICIT

Current Liabilities	
Accounts payable and accrued expenses	$ 408,683
Notes payable and cash advances	740,523
Due to related companies	1,632,030
Total current liabilities	2,781,236
Commitments and Contingencies (Note 6)	
Members' Deficit	(664,559)
Total liabilities and members' deficit	$ 2,116,677

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 2018

NET SALES	$ 2,197,783
COST OF SALES	(412,177)
GROSS PROFIT	1,785,606
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,559,014
INCOME BERFORE INTEREST EXPENSE AND PROVISION FOR INCOME TAXES	226,592
INTEREST EXPENSE	85,213
INCOME BEFORE PROVISION FOR INCOME TAXES	141,379
PROVISION FOR INCOME TAXES	46,655
NET INCOME	$ 94,724

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT
For the Six Months Ended June 30, 2018

BALANCE – January 1, 2018	$	(759,283)
Net income		94,724
BALANCE – June 30, 2018	$	(664,559)

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 94,724
Adjustments to reconcile net income to net cash provided by operating activities:	
Provision for bad debts	479,465
Depreciation and amortization	11,976
Changes in assets and liabilities:	
Accounts receivable	(1,573,495)
Other assets	46,655
Accounts payable and accrued expenses	25,312
Due to related companies	1,274,413
Net cash provided by operating activities	359,050
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayments of notes payable and cash advances	(353,389)
Net cash used in financing activities	(353,389)
Net increase in cash	5,661
CASH – beginning of period	3,045
CASH – end of period	$ 8,706

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Advanced Bioceuticals Limited LLC (the "Company" or "ABL") was incorporated in the State of New Jersey on January 31, 2018. On February 1, 2018 the Company entered into a stock purchase agreement with Pro-Thotics Technology Inc. ("PTI"), an entity under common control, whereby the Company acquired 100% of PTI's issued and outstanding shares in exchange for the Company's membership units ("Acquisition"), making PTI a wholly owned subsidiary of the Company. The Acquisition was accounted for at historical cost in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*.

The accompanying consolidated financial statements give effect to the Acquisition on February 1, 2018. In accordance with ASC 805-50-45-2, the accompanying consolidated financial statements report results of operations, changes in members' deficit and cash flows for the period in which the Acquisition occurred as though the Acquisition had occurred at the beginning of the period (January 1, 2018).

PTI is a durable medical equipment ("DME") company that provides braces and orthotic products to patients throughout the United States via clinician services and mail delivery business.

On March 22, 2018, the Company entered into an Acquisition and Share Exchange Agreement with Nass Valley Gateway Ltd ("NVG"), a Canadian public Company, under which, NVG will be acquiring, subject to the satisfaction of certain conditions, 100% of the members interest of ABL in exchange for 89.27% of its shares. As of the date of this report, the closing of such transaction has not been consummated as the conditions under the agreement haven't not been fully satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ABL and its wholly owned subsidiary, PTI. All intercompany transactions and balances have been eliminated.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of obligations in the normal course of business. The Company has negative working capital and a members' deficit of approximately $665,000, which raises substantial doubt about the Company's ability to continue as a going concern. The Company's

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern (continued)

activities will necessitate significant uses of working capital beyond June 30, 2018. The Company is focused on managing costs in line with current revenue levels and is projecting significant increases in revenue in 2018 and beyond. In addition, management is currently attempting to raise additional debt or equity financing to meet its short-term obligations until the Company is able to generate sufficient cash flows from operations. However, there can be no assurance that anticipated revenues will be realized, that the Company will be able to successfully implement its plans, or that suitable financing will be available on acceptable terms, on a timely basis, or at all.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. The Company did not have any cash equivalents as of June 30, 2018.

Cash balances are maintained in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the FDIC limit at June 30, 2018. Although the balances in these accounts may exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Accounts receivable are written-off when they are determined to be uncollectible.

As of June 30, 2018, an allowance for doubtful accounts has been established amounting to $441,009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over seven years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

Revenue is recognized when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the fee is fixed or determinable, (iii) collection is reasonably assured, and (iv) delivery has occurred or services have been rendered. Typically, these criteria are met and the Company recognizes revenue upon delivery of products to patients.

Some of the Company's sales programs allow customers limited product return rights. Management estimates potential future product returns and exchanges and reduces current period product revenue. Actual returns may vary from estimates if the Company experiences a change in actual sales, returns or exchange patterns due to unanticipated changes in products, or competitive and economic conditions. There was no allowance for product returns as of June 30, 2018.

Advertising and Promotions

Advertising and promotions are expensed as incurred. Total advertising and promotions for the six months ended June 30, 2018 were $21,013, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Income Taxes

As a limited liability company, the Company is subject to certain minimal taxes and fees; however, income taxes on income or loss reported by the Company are the obligation of the members.

The Company's wholly owned subsidiary, PTI, is treated as a C-Corporation for income tax purposes and utilizes the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, *Income Taxes* ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the six months ended June 30, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Company files federal and various state income tax returns. PTI is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013.

Significant Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in Revenue Recognition (Topic 605), and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018, and is to be applied retrospectively, including interim periods within that reporting period. The Company's management is currently evaluating the impact of this new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This update requires that all leases be recognized by lessees on the balance sheet through a right-of-use asset and corresponding lease liability. This standard is required to be adopted for annual periods beginning after December 15, 2019. The Company's management is currently evaluating the impact of this new standard.

Subsequent Events

The Company evaluated subsequent events for their potential impact on the consolidated financial statements and disclosures through September 5, 2018, which is the date the financial statements were available to be issued. The Company has concluded that no events have occurred subsequent to June 30, 2018 that require adjustments to, or disclosure in, its consolidated financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2018:

Leasehold improvements	$ 126,451
Furniture and fixtures	12,100
	138,551
Less accumulated depreciation and amortization	(98,794)
	$ 39,757

Depreciation and amortization expense was $11,976 for the six months ended June 30, 2018, and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

4. NOTES PAYABLE AND CASH ADVANCES

Notes Payable

On August 18, 2016, PTI entered into a promissory note agreement with an unrelated party for an original amount of $250,000. The note bears interest at a rate of 4% per month and had an original maturity date of October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. The note is still outstanding and the Company is currently negotiating an extension or another form of settlement with the lender. As of June 30, 2018, the outstanding balance on the note was $250,000, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. Interest expense for the six months ended June 30, 2018 amounted to $60,000 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $224,604 as of June 30, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

On July 7, 2017, PTI entered into a secured promissory note agreement with a financial institution for borrowing up to $500,000. The note bears interest at a rate of 12% per annum and is secured by the Company's accounts receivable. All unpaid principal and interest are due in full on July 6, 2018. The outstanding balance on the note was $250,000 as of June 30, 2018, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. The Company is currently negotiating an extension or another form of settlement with the lender. Interest expense for the six months ended June 30, 2018 amounted to $23,750 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $39,383 as of June 30, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

Cash Advances

PTI entered into various future receivable sale agreements to secure working capital. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The Company has not entered into any new agreements during 2018. As of June 30, 2018, merchant cash advances were $240,523, which are included in notes payable and cash advances on the accompanying consolidated balance sheet.

5. RELATED PARTY TRANSACTIONS

Global1 Solutions, LLC

PTI entered into a consulting agreement with Global1 Solutions, LLC ("Global1"), a related party under common ownership, under which, Global1 provides PTI consulting services and broker relationships with marketing companies. For the six months ended June 30, 2018, PTI incurred and paid $8,500 for consulting fees and marketing expenses pursuant to the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

5. RELATED PARTY TRANSACTIONS (continued)

NY DME, LLC

PTI entered into a management services agreement with NY DME, LLC ("NY DME"), a related party owned by the Company's president. NY DME provides durable medical equipment and related services and supplies to patients pursuant to the agreement. The fee for the said services is 10% of weekly collected income, as defined. For the six months ended June 30, 2018, PTI incurred $72,794 for services provided under the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of June 30, 2018, total amount owed to NY DMY was $241,168, which is included in due to related companies on the accompanying consolidated balance sheet.

MMVX, LLC

PTI entered into consulting arrangements with MMVX, LLC ("MMVX"), a related party owned by a relative of a member, whereby MMVX provides PTI consulting services. For the six months ended June 30, 2018, PTI incurred and paid $76,750 for consulting fees. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Pegasus DME, Inc.

PTI entered into arrangements with Pegasus DME, Inc. ("Pegasus"), a related party under common ownership, under which, Pegasus provides PTI with durable medical equipment and related products and services. For the six months ended June 30, 2018, no expenses were incurred under such arrangements. However, Pegasus advanced the Company a total amount of $61,540 to provide for working capital needs. Such advances bear no interest and have no maturity date. As of June 30, 2018, total amount owed to Pegasus was $133,402, which is included in due to related companies on the accompanying consolidated balance sheet.

National Brace Inc.

PTI entered into a management services agreement with National Brace Inc. ("National Brace"), a related party under common ownership. Pursuant to the agreement, National Brace provides certain management services, including but not limited to, receiving and reviewing prescriptions for DME, checking patient insurance benefits, communicating with prescribing physicians and/or patients and arranging the shipping of the prescribed products. Management fees under the agreement are equal to $21,750 per week. In addition, PTI reimburses National Brace for the full cost of the services provided. Management fees under the agreement totaled $565,500 for the six months ended June 30, 2018, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. Reimbursements under the agreement totaled $315,025, $191,082 of which is for purchases of DME and is included in cost of sales, and $123,943 for marketing costs and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of June 30, 2018, the total amount owed to National Brace was $1,257,460, which is included in due to related companies on the accompanying consolidated balance sheet.

6. COMMITMENTS AND CONTINGENCIES

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire on various dates between February 2019 and July 2021. The leases require payment of base rent plus the Company's share of operating expenses. Rent and related expense for the six months ended June 30, 2018 was $54,865, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Future minimum rental payments under these lease agreements are as follows for years ending June 30:

2019	$ 89,236
2020	65,727
2021	28,115
2022	2,349
	$ 185,427

Contingencies

The Company is a defendant in litigation matter with a third party claiming to be owed $455,000 in connection with a former billing relationship. Management intends to vigorously pursue resolution of this legal claim; however, the outcome cannot be determined at this time. The consolidated financial statements do not include any adjustments that may result from the outcome of this matter.

During the ordinary course of the Company's business, it is subject to various other claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flow.

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Advanced Bioceuticals Limited LLC and Subsidiaries
Consolidated Financial Statements
March 31, 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To The Members of
Advanced Bioceuticals Limited LLC

We have reviewed the accompanying consolidated financial statements of Advance Bioceuticals Limited LLC and its subsidiaries (collectively "the Company"), which comprise the consolidated balance sheet as of March 31, 2018, the related consolidated statements of operations, members' deficit and cash flows for the three months ended March 31, 2018, and the related notes to the financial statements (collectively the "financial statements"). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has previously suffered recurring losses from operations and has a net capital deficiency that raises an uncertainty about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

Squar Milner LLP

Newport Beach, California
June 27, 2018

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED BALANCE SHEET
March 31, 2018

ASSETS

Current Assets		
Cash	$	22,338
Accounts receivable, net		1,343,128
Due from a related party		104,771
Total current assets		1,470,237
Property and Equipment, net		45,745
Other Assets		258,023
Total assets	$	1,774,005

LIABILITIES AND MEMBERS' DEFICIT

Current Liabilities		
Accounts payable and accrued expenses	$	383,533
Notes payable and cash advances		1,017,606
Due to related companies		949,776
Total current liabilities		2,350,915
Commitments and Contingencies (Note 6)		
Members' Deficit		(576,910)
Total liabilities and members' deficit	$	1,774,005

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF OPERATIONS
For the Three Months Ended March 31, 2018

NET SALES	$ 1,229,344
COST OF SALES	(202,614)
GROSS PROFIT	1,026,730
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	704,516
INCOME BERFORE INTEREST EXPENSE AND PROVISION FOR INCOME TAXES	322,214
INTEREST EXPENSE	49,030
INCOME BEFORE PROVISION FOR INCOME TAXES	273,184
PROVISION FOR INCOME TAXES	90,811
NET INCOME	$ 182,373

The accompanying notes are an integral part of these consolidated financial statements.

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT
For the Three Months Ended March 31, 2018

BALANCE – January 1, 2018	$	(759,283)
Net income		182,373
BALANCE – March 31, 2018	$	(576,910)

ADVANCED BIOCEUTICALS LIMITED LLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three Months Ended March 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	182,373
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for doubtful accounts		84,033
Depreciation and amortization		5,988
Changes in assets and liabilities:		
Accounts receivable		(861,927)
Other assets		92,811
Accounts payable and accrued expenses		162
Due to related companies		592,159
Net cash provided by operating activities		95,599
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of notes payable and cash advances		(76,306)
Net cash used in financing activities		(76,306)
Net increase in cash		19,293
CASH – beginning of period		3,045
CASH – end of period	$	22,338

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Advanced Bioceuticals Limited LLC (the "Company" or "ABL") was incorporated in the State of New Jersey on January 31, 2018. On February 1, 2018 the Company entered into a stock purchase agreement with Pro-Thotics Technology Inc. ("PTI"), an entity under common control, whereby the Company acquired 100% of PTI's issued and outstanding shares in exchange for the Company's membership units ("Acquisition"), making PTI a wholly owned subsidiary of the Company. The Acquisition was accounted for at historical cost in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations*.

The accompanying consolidated financial statements give effect to the Acquisition on February 1, 2018. In accordance with paragraph ASC 805-50-45-2, the accompanying consolidated financial statements report results of operations, changes in members' deficit and cash flows for the period in which the Acquisition occurred as though the Acquisition had occurred at the beginning of the period.

PTI is a durable medical equipment ("DME") company that provides braces and orthotic products to patients throughout the United States via clinician services and mail delivery business.

On March 22, 2018, the Company entered into an Acquisition and Share Exchange Agreement with Nass Valley Gateway Ltd ("NVG"), a Canadian public Company, under which, NVG will be acquiring, subject to the satisfaction of certain conditions, by an exchange of 89.27% of its shares 100% of the members interest of ABL. As of the date of this report, the closing of such transaction has not been consummated as the conditions under the agreement haven't not been fully satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ABL and its wholly owned subsidiary, PTI. All intercompany transactions and balances have been eliminated.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of obligations in the normal course of business. The Company has negative working capital and an accumulated deficit of approximately $577,000. The

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern (continued)

Company's activities will necessitate significant uses of working capital beyond March 31, 2018. The Company is focused on managing costs in line with current revenue levels and is projecting significant increases in revenue in 2018 and beyond. In addition, management is currently attempting to raise additional debt or equity financing to meet its short-term obligations until the Company is able to generate sufficient cash flows from operations. However, there can be no assurance that anticipated revenues will be realized, that the Company will be able to successfully implement its plans, or that suitable financing will be available on acceptable terms, on a timely basis, or at all.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. The Company did not have any cash equivalents as of March 31, 2018.

Cash balances are maintained in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the FDIC limit at March 31, 2018. Although the balances in these accounts exceed the federally insured limits from time to time, the Company has not incurred losses related to these deposits.

Accounts Receivable

Accounts receivable is stated net of the allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon a review of outstanding receivables and historical collection information by customer. Accounts receivable are written-off when they are determined to be uncollectible.

As of March 31, 2018, an allowance for doubtful accounts has been established amounting to $150,348.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over seven years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the improvement or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

Revenue is recognized when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the fee is fixed or determinable, (iii) collection is reasonably assured, and (iv) delivery has occurred or services have been rendered. Typically, these criteria are met and the Company recognizes revenue upon delivery to patients.

Some of the Company's sales programs allow customers limited product return rights. Management estimates potential future product returns and exchanges and reduces current period product revenue. Actual returns may vary from estimates if the Company experiences a change in actual sales, returns or exchange patterns due to unanticipated changes in products, or competitive and economic conditions. There was no allowance for product returns as of March 31, 2018.

Advertising and Promotions

Advertising and promotions are expensed as incurred. Total advertising and promotions for the three months ended March 31, 2018 were $61,002, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

Income Taxes

As a limited liability company, the Company is subject to certain minimal taxes and fees; however, income taxes on income or loss reported by the Company are the obligation of the members.

The Company's wholly owned subsidiary, PTI, is treated as a C-Corporation for income tax purposes and utilizes the asset and liability method of accounting for income taxes, under which, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The effect of deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

FASB ASC 740, *Income Taxes* ("FASB ASC 740") establishes criterion that an individual tax position has to meet for some or all the benefits of that position to be recognized in the company's financial statements. On initial application, this criterion will be applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the "more-likely-than-not" recognition threshold at the adoption date will be recognized or continue to be recognized. There were no tax positions that meet the criteria for the three months ended March 31, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Company files federal and various state income tax returns. PTI is no longer subject to federal, state and local income tax examination by tax authorities for years before 2013.

Significant Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in Revenue Recognition (Topic 605), and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018, and is to be applied retrospectively, with early application permitted with the annual reporting period beginning after December 15, 2016, including interim periods within that reporting period. The Company's management is currently evaluating the impact of this new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This update requires that all leases be recognized by lessees on the balance sheet through a right-of-use asset and corresponding lease liability. This standard is required to be adopted for annual periods beginning after December 15, 2019. The Company's management is currently evaluating the impact of this new standard.

Subsequent Events

The Company evaluated subsequent events for their potential impact on the consolidated financial statements and disclosures through June 27, 2018, which is the date the financial statements were available to be issued. The Company has concluded that no events have occurred subsequent to March 31, 2018 that require adjustments to, or disclosure in, its consolidated financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2018:

Leasehold improvements	$	126,451
Furniture and fixtures		12,100
		138,551
Less accumulated depreciation and amortization		(92,806)
	$	45,745

Depreciation and amortization expense was $5,988 for the period ended March 31, 2018, and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

4. NOTES PAYABLE AND CASH ADVANCES

Notes Payable

On August 18, 2016, PTI entered into a promissory note agreement with an unrelated party for an original amount of $250,000. The note bears interest at a rate of 4% per month and had an original maturity date of October 18, 2016. In December 2017, the maturity date was extended to January 31, 2018. The note is still outstanding and the Company is currently negotiating an extension or another form of settlement with the lender. As of March 31, 2018, the outstanding balance on the note was $250,000, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. Interest expense for the three months ended March 31, 2018 amounted to $30,000 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $194,604 as of March 31, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

On July 7, 2017, PTI entered into a secured promissory note agreement with a financial institution for borrowing up to $500,000. The note bears interest at a rate of 12% per annum and is secured by the Company's accounts receivable. All unpaid principal and interest are due in full on July 6, 2018. The outstanding balance on the note was $500,000 as of March 31, 2018, which is included in notes payable and cash advances on the accompanying consolidated balance sheet. Interest expense for the three months ended March 31, 2018 amounted to $15,000 and is included in interest expense on the accompanying consolidated statement of operations. Accrued and unpaid interest was $30,633 as of March 31, 2018 and is included in accounts payable and accrued expenses on the accompanying consolidated balance sheet.

Cash Advances

PTI entered into various future receivable sale agreements to secure working capital. The agreements are short term in nature with repayment terms ranging from 120 to 300 days and are repayable by a fixed percentage on a daily basis until the outstanding balance has been remitted. The Company has not entered into any new agreements during 2018. As of March 31, 2018, merchant cash advances were $267,606, which are included in notes payable and cash advances on the accompanying consolidated balance sheet.

5. RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions covered by agreements:

PTI entered into a consulting agreement with Global1 Solutions, LLC ("Global1"), a related party under common ownership, under which, Global1 provides PTI consulting services and broker relationships with marketing companies. For the three months ended March 31, 2018, PTI incurred and paid $5,500 for consulting fees and marketing expenses pursuant to the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

5. RELATED PARTY TRANSACTIONS (continued)

PTI entered into a management services agreement with NY DME, LLC ("NY DME"), a related party owned by the Company's president. NY DME provides durable medical equipment and related services and supplies to patients pursuant to the agreement. The fee for the said services is 10% of weekly collected income, as defined. For the three months ended March 31, 2018, PTI incurred $49,654 for services provided under the agreement. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of March 31, 2018, total amount owed to NY DMY was $194,680, which is included in due to related companies on the accompanying consolidated balance sheet.

PTI entered into consulting arrangements with MMVX, LLC ("MMVX"), a related party owned by a family member, whereby MMVX provides PTI consulting services. For the three months ended March 31, 2018, PTI incurred and paid $66,750 for consulting fees. Such amount is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

PTI entered into arrangements with Pegasus DME, Inc. ("Pegasus"), a related party under common ownership, under which, Pegasus provides PTI with durable medical equipment and related products and services. For the three months ended March 31, 2018, no expenses were incurred under such arrangements. As of March 31, 2018, total amount owed to Pegasus was $71,862, which is included in due to related companies on the accompanying consolidated balance sheet.

PTI entered into a management services agreement with National Brace Inc. ("National Brace"), a related party under common ownership. Pursuant to the agreement, National Brace provides certain management services, including but not limited to, receiving and reviewing prescriptions for DME, checking patient insurance benefits, communicating with prescribing physicians and/or patients and arranging the shipping of the prescribed products. Management fees under the agreement equal to $21,750 per week. In addition, PTI reimburses National Brace for the full cost of the services provided. Management fees under the agreement totaled $282,750, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. Reimbursements under the agreement totaled $199,155, $150,018 of which is for purchases of DME and is included in cost of sales, and $49,137 for marketing costs and is included in selling, general and administrative expenses on the accompanying consolidated statement of operations. As of March 31, 2018, the total amount owed to National Brace was $668,234, which is included in due to related companies on the accompanying consolidated balance sheet.

6. COMMITMENTS AND CONTINGENCIES

Leases

The Company rents office spaces in New York and Florida for its operation under operating leases with terms of five to ten years. The lease agreements expire on various dates between February 2019 and July 2021. The leases require payment of base lease payments plus the Company's share of operating expenses. Rent expense for the three months ended March 31, 2018 was $25,936, which is included in selling, general and administrative expenses on the accompanying consolidated statement of operations.

6. COMMITMENTS AND CONTINGENCIES (continued)

Leases (continued)

Future minimum rental payments under these lease agreements are as follows for years ending March 31:

2019	$	60,402
2020		46,024
2021		31,087
2022		9,394
	$	146,907

Contingencies

The Company is a defendant in litigation matter with a third party claiming to be owed $455,000 in connection with a former billing relationship. Management intends to vigorously pursue resolution of this legal claim; however, the outcome cannot be determined at this time. The consolidated financial statements do not include any adjustments that may result from the outcome of this matter.

During the ordinary course of the Company's business, it is subject to various other claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flow.

EXHIBIT C

RESULTING ISSUER'S PROFORMA FINANCIAL STATEMENTS

AS AT

SEPTEMBER 30, 2018

Nass Valley Gateway Ltd.
Pro-forma Consolidated Statement of Financial Position
As at September 30, 2018
(unaudited)
(Expressed in Canadian Dollars, unless stated otherwise)

	Nass Valley Gateway Ltd. September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Note	Advanced Bioceuticals Limited IFRS Conversion September 30, 2018 (unaudited)	Note	Adjustments	Pro-Forma consolidated September 30, 2018 (unaudited)
	$	US$	$		$		$	$
ASSETS								
Current assets								
Cash and equivalents	7,094	4,508	5,795		-		-	12,889
Marketable securities	264	-	-		-		-	264
Amounts receivable from related parties	68,179	2,367,030	3,042,604		-		-	3,110,783
	75,537	2,371,538	3,048,399		-		-	3,123,936
Non-current assets								
Other assets	-	146,693	188,560	3	(181,425)		-	7,135
Property and equipment, net	-	33,769	43,407		-		-	43,407
Reclamation bond	3,000	-	-		-		-	3,000
	78,537	2,552,000	3,280,366		(181,425)		-	3,177,478

The accompanying notes are in integral part of these pro-forma consolidated financial statements

Nass Valley Gateway Ltd.
Pro-forma Consolidated Statement of Financial Position (continued)
As at September 30, 2018
(unaudited)
(Expressed in Canadian Dollars, unless stated otherwise)

	Nass Valley Gateway Ltd. September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Note	Advanced Bioceuticals Limited IFRS Conversion September 30, 2018 (unaudited)	Note	Adjustments	Pro-Forma consolidated September 30, 2018 (unaudited)
	$	US$	$		$		$	$
LIABILITIES AND EQUITY								
Current liabilities								
Accounts payable and accrued liabilities	281	486,728	625,645		-	4c	75,000	700,926
Notes payable and cash advances	-	735,523	945,449		-		-	945,449
Due to related parties	-	1,674,564	2,152,501		-		-	2,152,501
	281	2,896,815	3,723,595		-		75,000	3,798,876
EQUITY								
Share capital (Note 4a)	3,246,123	2,000	2,434		-	4b	1,252,901	1,255,335
						4d	(3,246,123)	
Share based payments reserve	594,236	-	-		-	4d	(594,236)	-
Contributed surplus	-	-	-		-	4b	618,511	618,511
Deficit	(3,762,103)	(346,815)	(410,058)	3	(181,425)	4b,d	(1,868,156)	(2,459,639)
						4d	3,762,103	
Accumulated Other Comprehensive Income	-	-	(35,605)		-		-	(35,605)
	78,256	(344,815)	(443,229)		(181,425)		(75,000)	(621,398)
	78,537	2,552,000	3,280,366		(181,425)		-	3,177,478

Nass Valley Gateway Ltd.
Pro-forma Consolidated Statement of Income and Comprehensive Loss
For the nine months period ended September 30, 2018
(Unaudited)
(Expressed in Canadian Dollars, unless stated otherwise)

	Nass Valley Gateway Ltd. September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Note	Advanced Bioceuticals Limited IFRS Conversion September 30, 2018 (unaudited)	Note	Adjustments	Pro-Forma consolidated September 30, 2018 (unaudited)
	$	US$	$					$
Revenue	-	3,528,025	4,541,274		-		-	4,541,274
Cost of sales	-	(842,024)	(1,083,854)		-		-	(1,083,854)
Gross profits	-	2,686,001	3,457,420		-		-	3,457,420
Expenses								
Advertising and marketing	-	306,521	394,554		-		-	394,554
Amortization	-	17,964	23,123		-		-	23,123
Consulting fees	-	296,394	381,518		-		-	381,518
Investor relations	1,247	-	-		-		-	1,247
Loan interest expenses and bank charges	163	130,520	168,005		-		-	168,168
Listing expenses	-	-	-		-	4b, 4c	1,868,156	1,868,156
Management fees	-	848,250	1,091,867		-		-	1,091,867
Office expenses	3,290	72,004	92,685		-		-	95,975
Professional fees	31,259	67,400	86,757		-		-	118,016
Rent	-	83,393	107,343		-		-	107,343
Share-based payments	18,526	-	-		-		-	18,526
Transfer agent and filing fees	21,777	-	-		-		-	21,777
Travel	-	2,033	2,617		-		-	2,617
Wages and salaries	703	242,913	312,678		-		-	313,381
Income (Loss) before other items	(76,965)	618,609	796,273		-		(1,868,156)	(1,148,847)
Other income (expenses)								
Interest income	25	-	-		-		-	25
Deferred income taxes	-	(204,141)	(262,770)	3	262,770		-	-
Net income (loss) for the period	(76,940)	414,468	533,503		262,770		(1,868,156)	(1,148,822)

The accompanying notes are in integral part of these pro-forma consolidated financial statements.

Nass Valley Gateway Ltd.
Pro-forma Consolidated Statement of Income and Comprehensive Loss (continued)
For the period ended September 30, 2018
(unaudited)
(Expressed in Canadian Dollars, unless stated otherwise)

	Nass Valley Gateway Ltd. September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Advanced Bioceuticals Limited September 30, 2018 (unaudited)	Note	Advanced Bioceuticals Limited IFRS Conversion September 30, 2018 (unaudited)	Note	Adjustments	Pro-Forma consolidated September 30, 2018 (unaudited)
	$	US$	$					$
Net income (loss) for the period	(76,940)	414,468	533,503		262,770		(1,868,156)	(1,148,822)
OTHER COMPREHENSIVE LOSS								
Item that may be reclassed subsequently								
Unrealized foreign exchange translation	-	-	(44,614)		-		-	(44,614)
Comprehensive income (loss) for the period	(76,940)	414,468	488,889		262,770		(1,868,156)	(1,193,436)
Net income (loss) per share, basic and diluted	(0.00)	207.23	244.44		-		(0.00)	(0.00)
Weighted average number of shares outstanding	31,751,977	2,000	2,000		-	4a,4b	280,000,000 291,515 (2,000)	312,043,492

The accompanying notes are in integral part of these pro-forma consolidated financial statements

1. BASIS OF PRESENTATION

Nass Valley Gateway Ltd. (the "Company" or "NVG") was 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 accompanying unaudited pro-forma consolidated financial statements of the Company have been prepared by management from using the information derived as described below:

a) the unaudited condensed interim financial statements of the Company as at September 30, 2018 prepared in accordance with IFRS;
b) the unaudited consolidated interim financial statements of Advanced Bioceuticals Limited ("ABL") as at September 30, 2018 presented in US$ and prepared in accordance with US GAAP; and
c) the proposed transactions described in note 2 Proposed Transaction, together with certain transactions outlined in the Note 3 Pro-forma adjustments and assumptions.

The unaudited pro-forma consolidated financial statements give effect to the transactions as if they had been in effect for the nine months period ended September 30, 2018.

The unaudited pro-forma consolidated financial statements have been compiled using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as set out in the unaudited interim financial statements of the Company for the period ended September 30, 2018. The functional currency of the Company is Canadian dollars and functional currency of ABL is US dollars. The presentation currency of the pro-forma consolidated financial statements is Canadian dollars.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the amended condensed unaudited interim financial statements and notes thereto of the Company. The consolidated unaudited interim financial statements of ABL have been prepared in conformity with the Generally Accepted Accounting Principals in the United States ("US GAAP"). For the purposes of the preparation of the pro-forma consolidated financial statements, where there are differences between US GAAP and IFRS, the accounts of ABL are converted into Canadian dollars and presented under IFRS.

The unaudited pro-forma consolidated financial statements are not intended to reflect the results of operations or the consolidated financial position of the continuing legal entity, NVG, which would actually have resulted had the proposed transactions been effected on the dates indicated. Further, the unaudited pro-forma consolidated financial information is not necessarily indicative of the results of operations that may be obtained in the future.

The pro-forma adjustments and allocations for the transaction are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of NVG that exist as of the date of completion of the acquisition.

2. PROPOSED TRANSACTION

On March 22, 2018, the Company and ABL entered into a Definitive Acquisition and Share Exchange Agreement ("DASE"-Agr") pursuant to which the Company has agreed to acquire a 100% interest in ABL including its wholly owned subsidiary, Pro-Thotics Technology, Inc. Pro-Thotics Technology is an operating company which was incorporated in the State of New York in November 1988. As consideration, the Company will issue 280,000,000 common shares of the Company to the shareholders of ABL. The 280,000,000 common shares will be placed in escrow and released pursuant to an Escrow agreement.

Upon completion of the proposed transaction, an aggregate of 312,043,492 common shares of the Company will be issued and outstanding. As the shareholders of ABL will own approximately 89.7% of the issued and outstanding common shares of the Company, the transaction will be considered to be a reverse takeover listing transaction as the continuing operations will be those of ABL and the former shareholders of ABL will control the Company. Accordingly, the net assets of the Company are deemed to have been acquired by ABL.

As the net assets of the Company do not meet the definition of a business, as defined in IFRS 3, Business Combinations, the pro-forma consolidated financial statements have been adjusted for the elimination of the Company's share capital, share-based payment reserve and deficit.

3. IFRS CONVERSION

In accordance with IAS 12 "Income taxes", a deferred tax asset shall be recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from certain conditions described in the Standard. As ABL has not demonstrated that it is probable and that sufficient taxable income will be realized, the deferred tax assets has been expensed and charged to deficit to cause the pro-forma consolidated financial statements to be in compliance with IFRS.

4. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated financial statements incorporate the following pro-forma assumptions:

a) The Company will issue 291,515 common shares for cash received in advance from the exercise of warrants.

b) The Company will issue 280,000,000 common shares with a deemed price under the Agreement of $0.1429 per share in exchange for the 100% interest in ABL. As a result of the share exchange, the former shareholders of ABL will acquire control of the Company and the transaction will be treated as a reverse take over listing transaction. The transaction will be accounted for as an acquisition of the net liabilities and listing status of the Company by ABL via a share-based payment. The excess of the estimated fair value of the equity instruments that ABL is deemed to have issued to acquire the Company, plus the transaction costs (both the consideration) and the estimated fair value of the Company's net liabilities, will be recorded as the cost of obtaining the listing.

(expressed in Canadian dollars, unless stated otherwise)

4. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (CONTINUED)

The unaudited pro-forma consolidated financial statements incorporate the following pro-forma assumptions (continued):

For the purpose of the pro-forma consolidated statement of financial position and the comprehensive loss, management has estimated fair value of the equity instruments deemed to be issued by the Company. The fair value of the 32,043,492 common shares amounted to $1,252,901, based on the recent indicative trading volumes and prices of the Company's shares, since no valuation for ABL was available, and there was no concurrent financing anticipated, which might have been indicative of the value of the shares considered to be issued as partial consideration for the listing. The fair value of the 1,105,000 stock options was $64,154 and the fair value of 16,021,527 warrants was $554,357. The fair values of the stock options and warrants were estimated using the Black-Scholes option pricing model applying a market price of $0.06, exercise prices of between $0.09 to $0.10 per share, risk free rates of between 1.50% to 2.04%, expected volatility of 247% and an expected dividend yield of 0%.

The allocation of the consideration for the purposes of the pro-forma consolidated statement of financial position and pro-forma consolidated statement of income and comprehensive loss is as follows:

Net assets acquired:		
Cash	$	7,094
Marketable securities		264
Amounts receivable and due from related parties		68,179
Reclamation bond		3,000
Accounts payable and accrued liabilities		(281)
Net assets acquired		78,256
Consideration		1,946,412
Cost of public listing charged to deficit	$	1,868,156
Consideration:		
Common shares deemed to be issued re: NVG	$	1,252,901
Stock options deemed to be issued re: NVG		64,154
Warrants deemed to be issued re: NVG		554,357
Legal and other transaction costs		75,000
	$	1,946,412

c) Legal, business valuation and other transaction costs are estimated to be $75,000 which will be recorded as a listing expense.

d) As a result of the acquisition, there will be an elimination of the Company's pre-acquisition share capital of $3,246,123, shared-based payments reserve of $594,236 and deficit of $3,762,103.

(expressed in Canadian dollars, unless stated otherwise)

5. PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the shareholders' equity of the combined entity as at September 30, 2018 is comprised of the following:

		Share Capital						
	Note	Number of Shares	Capital Stock	Share based payment reserve	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Common shares of NVG		31,751,977	$ 3,246,123	$ 594,236	$ -	$ (3,762,103)	$ -	$ 78,256
Shares issued for exercise of warrants	4(a)	291,515	-	-	-	-	-	-
Effect of reverse take over	4(d)	-	(3,246,123)	(594,236)	-	3,762,103	-	(78,256)
ABL balances prior to transactions		2,000	2,434	-	-	(410,058)	(35,605)	(443,229)
Adjustment to IFRS re: Deferred tax assets		-	-	-	-	(181,425)	-	(181,425)
Common shares of ABL exchanged	4(a)	(2,000)	-	-	-	-	-	-
Common share issued to ABL's shareholders	4(a)	280,000,000	-	-	-	-	-	-
Shares deemed to be issued re: NVG	4(a)	-	1,252,901	-	-	(1,252,901)	-	-
Options deemed to be issued re: NVG	4(a)	-	-	-	64,154	(64,154)	-	-
Warrants deemed to be issued re: NVG	4(a)	-	-	-	554,357	(554,357)	-	-
Net assets acquired re: NVG	4(a)	-	-	-	-	78,256	-	78,256
Transaction costs	4(b)	-	-	-	-	(75,000)	-	(75,000)
		312,043,492	$ 1,255,335	$ -	$ 618,511	$ (2,459,639)	$ (35,605)	$ (621,398)

6. INCOME TAXES

The effective income tax rate applicable to the consolidated operations is estimated to be 36%.

EXHIBIT D1

DEFINITIVE ACQUISITION & SHARE EXCHANGE AGREEMENT

(“DASE-AGR”)

AMENDMENT #1

DEFINITIVE ACQUISITION AND SHARE EXCHANGE AGREEMENT

dated for reference purposes March 22th, 2018

by and among:

Nass Valley Gateway Ltd, as the:

"NVG" or " Issuer"

As the "First Party"

And

Advanced Bioceuticals Limited, as the:

"ABL" or the "Acquisition Target"

As the "Second Party"

the First and Second Party are jointly referred to as the "Parties"

Attachments:

Exhibit "A1.0" : Definitions and Interpretations
Exhibit "A1.1" : LOI with related Appendices
Exhibit "A2.0" : NVG/ABL Shr-Distrib-Tbls for Major Shrhldrs_
Exhibit "A2.1" : NVG-List of issued Incentive Options
Exhibit "A3.0" : NVG Amended Articles of Association
Exhibit "A3.1" : NVG Certificate of Incorporation
Exhibit "A3.2" : NVG Shareholder approval of RTO
Exhibit "A4.0" : NVG's Bank Accounts and Signatories
Exhibit "A4.1" : NVG-List of Liens and accounts payables
Exhibit "A4.2" : NVG-Form of Private-Placement Subscript-Agr
Exhibit "A4.3" : NVG-Form Escrow-Agr N-46-201F1_tpl
Exhibit "A5.0" : NVG Audit-FS 171231
Exhibit "A5.1" : NVG Audit-FS 161231
Exhibit "A5.2" : NVG/ABL Proforma 2018

Exhibit "B1.0" : ABL Audit-FS YE2017 +Asset-List
Exhibit "B1.1" : ABL Audit-FS YE2016 +Asset-List
Exhibit "B1.2" : ABL Material Adverse Effects
Exhibit "B1.3" : ABL Material Adverse Effects
Exhibit "B2.0" : ABL List of Shareholders + Beneficiaries
Exhibit "B2.1" : ABL Bus-Plan and Milestones
Exhibit "B3.0" : ABL Amended Articles of Incorporation
Exhibit "B3.1" : ABL Certificate of Incorporation
Exhibit "B4.0" : ABL Bank Accounts and Signatories
Exhibit "B4.1" : ABL-List of Liens and accounts payables
Exhibit "B4.2" : ABL Litigation or Outstanding Judgments
Exhibit "B4.3" : ABL Material Contracts
Exhibit "B4.4" : ABL Licenses and Permits
Exhibit "B4.5" : ABL Labour Agreements
Exhibit "B4.6" : ABL List of Hazardous Materials
Exhibit "B4.7" : ABL Finder & Investment Banker Fees

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DEFINITIVE ACQUISITION AND SHARE EXCHANGE AGREEMENT

This ACQUISITION AND SHARE EXCHANGE AGREEMENT (the "DASE-Agr" or "A) dated for reference purposes as of March 22th , 2018 (the "Signing Date"). by and among Nass Valley Gateway Ltd a public company registered British Columbia, Canada and its common shares are publicly traded on the Canadian Securities Exchange ("CSE") in Ontario, Canada under the trading symbol "NVG" and on the Frankfurt Stock Exchange, Germany under the trading symbol "3NVN" (the "NVG" or "Issuer"), and **Advanced Bioceuticals Limited** , a New Jersey Limited Liability Company, with company registration number 0450237249 (Target Company) that upon completion will become a wholly owned subsidiary of Nass Valley Gateway Ltd, ("NVG").

NOW THEREFORE THIS AGREEMENT WITNESSETH:

A. The Parent Company Nass Valley Gateway Ltd is an Canadian public company that is acquiring Advanced Bioceuticals Limited the New Jersey, USA, registered Target Company, which has a well established business engaged in the sale of Durable Medical Equipment (DME) and Cannabidiol (CBD) with zero THC content, (the "ABL-Business").

B. The Selling Shareholders collectively own 100% of the membership interest (as defined below) of the Target Company, named Advanced Bioceuticals Limited,;

C. Parent will acquire by an exchange of shares of its common stock 100 % of the members interest in ABL (the "Transaction") in accordance with and subject to the terms and conditions of this Agreement (the "Transaction"); and

The Parties accordingly agree as follows:

ARTICLE I
DEFINITIONS

1.1 **For the purposes of this Agreement** and the convenience to the reader hereof, the definitions and interpretations are attached as Exhibit "A1.0" to this agreement whereby all capitalized short forms within this DASE-Agr are referred to as defined as well.

1.2 **Extended meanings** - in this Agreement, "including" means "including without limiting the generality of the foregoing".

1.3 **References** - in this Agreement, the expressions "this Agreement", "hereof", "herein", "hereunder" and similar terms refer to this agreement as a whole, and any reference herein to a paragraph or subparagraph followed by a number shall be deemed to be a reference to the specified paragraph or subparagraph of this Agreement.

1.4 **Headings** - the captions and headings herein have been inserted for convenience of reference only and do not define, enlarge or limit the scope or intent of any provision thereof.

1.5 **Currency** - all references herein to money amounts are expressed in United States Currency identified as "US$" and if expressed in Canadian currency as "C$". If it is necessary to convert money from currency to another, such money shall be converted to the requested currency in accordance to the xe-Converter at the Effective Date as defined under.

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1.6 Governing Law - this Agreement shall be governed by and construed in accordance with the laws referred to in paragraph 12.7.

1.7 **Exhibits, Appendices or Schedules** - attached hereto and incorporated by reference into this agreement and deemed to be part hereof.

ARTICLE II
PURCHASE AND SALE

Transaction. Subject to the terms and conditions of this Agreement, ABL shall be acquired by NVG by a Reversed Take Over ("RTO") transaction.

2.1 Share Exchange. On Effective-Date, the Selling-Shareholders of Advanced Bioceuticals the New Jersey Limited Liability Company, shall transfer to NVG as the Resulting Issuer an aggregate of 100% (one hundred percent) of its ownership interest, and Nass Valley shall issue an aggregate of 89.27 % of the fully paid and nonassessable shares of Shares-NVG in exchange for 100 % of the ownership interest of ABL, the Shares-NVG shall be issued to the Selling-Shareholders in the amounts set forth in Exhibit "A2.0" (collectively referred to herein as the "Acquisition Consideration".

2.2 Section 351 Transaction. For U.S., federal income tax purposes, the Transaction is intended to constitute an exchange of property for stock under Section 351 of the Code. The parties to this Agreement hereby (i) agree to file and retain such information as shall be required under Section 1.351-3 of the United States Treasury Regulations, and (ii) agree to file all Tax and other informational returns on a basis consistent with such characterization. Notwithstanding the foregoing or anything else to the contrary contained in this Agreement, the Parties acknowledge and agree that no party is making any representation or warranty as to the qualification of the Transaction under Section 351 of the Code or as to the effect, if any, that any transaction consummated on, after or prior to the Closing-Date has or may have on any such transaction. Each of the parties acknowledge and agree that each (i) has had the opportunity to obtain independent legal and tax advice with respect to the transactions contemplated by this Agreement, and (ii) is responsible for paying its own Taxes, including any adverse Tax consequences that may result if the Transaction is determined not to qualify under Section 351 of the Code.

2.3 Closing. Subject to the satisfaction or waiver of the conditions set forth in Article VIII, the closing shall take place via conference call whereby copies of the executed documents will be electronically submitted and the original shall be submitted to the Parties via Fedex referred to in Article VII of this Agreement, or at such other date, time or place as the Parties may agree (the date and time at which the Closing is actually held being the "Closing Date"). At the Closing:

(a) The Parties shall exchange the Acquisition-Consideration in accordance with Section 2.1 and 2.2.

(b) The BoD-ABL shall deliver to NVG instructions to ABL's registrar and transfer agent that, at the Effective Date, the Shares-ABL be transferred to NVG, with all necessary transfer Tax and other revenue stamps, acquired at each board-member's expense, affixed.

2.4 Board of Directors of Resulting Issuer. Subsequent to the Effective-Date, the Parent's board of directors will consist of five (5) directors. ABL shall designate three (3) persons to the

Parent's board of directors. NVG and ABL will work together to assure that at least Three (3) of the designated directors qualify as an independent director under the CSE rules, and the rules of any applicable securities exchange where the Parent securities are listed for trading.

2.5 Appointment of Officers of Resulting Issuer. Simultaneously upon the Effective-Date, the Parties agree to appoint Dieter Peter, a Canadian Citizen to serve as Chairman of the Board and John Affenita,an USA Citizen residing in California, to serve as Chief Executive Officer of the Parent Company.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF ABL

ABL hereby represents and warrants to NVG that, except as set forth in the corresponding schedule in the disclosure schedules attached hereto, each of the following representations and warranties are true, correct, and complete to the knowledge of the ABL as of the date of this Agreement and as of the Closing-Date and Effective-Date.

3.1 Corporate Existence and Power. ABL is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of New Jersey. ABL has all power and authority, corporate and otherwise, and all governmental licenses, franchises, Permits, authorizations, consents, and approvals required to own and operate its properties and assets and to carry on its Business as presently conducted and as proposed to be conducted.

3.2 Authorization.

(a) The execution, delivery and performance by ABL of this Agreement and the Additional-Agreements and the consummation by ABL of the transactions contemplated hereby and thereby are within the corporate powers of ABL and have been duly authorized by all necessary action on the part of the company, including the approval of the Manager and the approval of the super majority of the Members of BoD-ABL. This Agreement constitutes a valid and legally binding agreement of ABL enforceable against the company in accordance with their respective terms, subject to bankruptcy, insolvency and similar Laws affecting the enforceability of creditor rights generally and to general principals of equity.

3.3 Governmental Authorization. Neither the execution, delivery nor performance by ABL of this Agreement or any Additional Agreements requires any consent, approval, license, or other action by or in respect of, or registration, declaration or filing with, any Authority.

3.4 Non-Contravention. None of the execution, delivery or performance by ABL of this Agreement does or will:

(a) contravene or conflict with the organizational or constitutive documents of the company;

(b) contravene or conflict with or constitute a violation of any provision of any Law binding upon or applicable to the company;

(c) constitute a default under or breach of (with or without the giving of notice or the passage of time or both); violate; or give rise to any right of termination, cancellation, amendment, or acceleration of any right or obligation of the company;

(d) require any payment or reimbursement by ABL (other than obligations set forth in the Additional-Agreements);

(e) cause a loss of any material benefit relating to the business to which ABL is entitled under any provision of any Permit or Contract (i) binding upon the company, or (ii) by which any of its Securities-Units ABL's assets are or may be bound; or

(f) result in the creation or imposition of any Lien (except for Permitted Liens) on any of the Securities-Units or the ABL's assets.

3.5 Capitalization. 100% of the membership interest in ABL are owned of record and beneficially by the Selling-Shareholders as set forth in Exhibit "B2.0". Upon Regulatory Approval, NVG shall receive good, valid and marketable title to 100 % ownership interest and clear of all Liens. No other class of Shares is authorized or outstanding. There are no:

(a) outstanding subscriptions, options, warrants, rights (including "phantom stock rights"), calls, commitments, understandings, conversion rights, rights of exchange, plans or other agreements of any kind providing for

the purchase, issuance or sale of any Shares-ABL , or

(b) agreements by any Selling-Shareholders with respect to any of the Shares-ABL , including any voting trust, other voting agreement or proxy with respect thereto, or

(c) equity holder agreements between ABL and its direct or indirect shareholders regarding the securities of ABL.

3.6 Certificate of Incorporation and articles of incorporation. Copies of:

(a) the certificate of formation of ABL, as certified by the Secretary of State of New Jersey or its equivalent authority, its state of formation.

(b) the amended articles of incorporation, are attached as Exhibits "B3.0" and "B3.1" to this Agreement, and such copies shall be each true and complete copies of such instruments as amended and in effect on such delivery date.

3.7 Financial Statements.

(a) ABL shall prior to closing deliver to NVG the Audited Financial Statements, the "Financial Statements") for the period ended December 31st 2017 and Unaudited financial statements or management accounts for the period ended February 28th 2018.

(b) The Financial Statements (i) are in accordance with the books and records of ABL, and (ii) present fairly in all material respects the financial condition of ABL at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified.

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(c) Except as fully disclosed in Schedule 3.7(c), ABL has no indebtedness, liabilities, or obligations (whether accrued, absolute, contingent, whether due or to become due or otherwise).

3.8 Books and Records. ABL shall make all Books and Records of ABL available to NVG for its inspection and shall deliver to NVG complete and accurate copies of all documents referred to in the Exhibits to this Agreement or that NVG otherwise has requested within sixty (60) days from the Signing Date.

3.9 Absence of Certain Changes. Since ABL's Balance Sheet Date, each of Subsidiaries have conducted their Business in the ordinary course consistent with past practices. Without limiting the generality of the foregoing, except as set forth Exhibit "1.2", since ABL's Balance Sheet Date, there has not been any Material Adverse Effect in the value to NVG of the Transactions contemplated hereby.

3.10 Properties - Title to the ABL's Assets. Except as set forth in Exhibit "B1.3" the Tangible Personal Property have no defects, are in good operating condition and repair and function in accordance with their intended uses (ordinary wear and tear excepted) and have been properly maintained and are suitable for their present uses and meet all specifications and warranty requirements with respect thereto.

3.11 Litigation. Except as provided on Exhibit "B4.2" there is no Action (or any basis therefor) pending against, or, to the best knowledge of the ABL, threatened, against or affecting, the Company. Except as provided on Exhibit "B4.3", there are no outstanding judgments against the ABL.

3.12 Contracts.

(a) Exhibit "B lists all material Contracts, oral or written (collectively, "Material Contracts") to which the Company is a party, and which are currently in effect and constitute the following:

(i) all Contracts that require annual payments or expenses by, or annual payments or income to ABL of $100,000 or more (other than standard purchase and sale orders entered in the ordinary course of business consistent with past practice);

(ii) all sales, advertising, agency, lobbying, broker, market-research, marketing or similar contracts and agreements, in each case requiring the payment of any commissions by ABL more than $100,000 annually;

(iii) all employment Contracts, employee leasing Contracts, and consultant and sales representatives Contracts with any current or former officer, director, employee or consultant of ABL or other Person, under which ABL (A) has continuing obligations for payment of annual compensation of at least $75,000 (other than oral arrangements for at-will employment), (B) has severance or post termination obligations to such Person (other than COBRA obligations), or (C) has an obligation to make a payment upon consummation of the transactions contemplated hereby or as a result of a change of Control of ABL;

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(iv) all Contracts creating a joint venture, strategic alliance, limited liability company and partnership agreements to which ABL is a party;

(v) all Contracts relating to patents, trademarks, service marks, trade names, brands, copyrights, trade secrets and other Intellectual Property Rights of ABL; and

(vi) all Contracts relating to outstanding Indebtedness, including financial instruments of indenture or security instruments (typically interest-bearing) such as notes, mortgages, loans, and lines of credit.

3.13 Licenses and Permits. Exhibit "B4.4" correctly lists each license, permit, order or approval or other similar authorization affecting, or relating in any way to, the Business, together with the name of the Authority issuing the same (the "Permits"). Except as indicated on Exhibit "B4.4", such Permits are valid and in full force and effect, and none of the Permits will, assuming the related third-party consent has been obtained or waived prior to the Closing Date, be terminated or impaired or become terminable because of the transactions contemplated hereby. The Company has all Permits necessary to operate the Business.

3.14 Compliance with Laws. Except as set forth on Exhibit "B4.2", ABL has not violated nor is in violations of, and to the Company's best knowledge, is neither under investigation with respect to nor has been threatened to be charged with or given notice of any violation or alleged violation of, any Law, or judgment, order or decree entered by any court, arbitrator or Authority, domestic or foreign, nor is there any basis for any such charge and within the last 24 months ABL has not received any subpoenas by any Authority.

3.15 Intellectual Property. ABL owns, free and clear of all Liens other than Permitted Liens, or otherwise possesses a valid right to use, all Intellectual Property Rights necessary to conduct its business as currently operated. Exhibit "B4.4"sets forth a true, correct and complete list of all registered patents, trademarks, service marks, trade names, Internet domain names and copyrights of each of ABL and any applications for any of the foregoing (collectively, "Registered Intellectual Property"), specifying as to each, as applicable: (i) the nature of such Intellectual Property Right; (ii) the owner of such Intellectual Property Right; (iii) the jurisdictions by or in which such Intellectual Property Right has been issued or registered or in which an application for such issuance or registration has been filed, including the respective registration or application numbers; and (iv) all licenses, sublicenses and other agreements pursuant to which any Person is authorized to use such Intellectual Property Right.

3.16 Insurance Coverage. There is in full force and effect one or more policies of insurance, insuring ABL and its properties, products and business against such losses and risks, and in such amounts, as are customary for business entities engaged in the same or similar business and similarly situated. ABL has not been refused any insurance coverage sought or applied for, and ABL has no reason to believe that it will be unable to renew its existing insurance coverage as and when the same shall expire upon terms at least as favorable to those currently in effect, other than possible increases in premiums that do not result from any act or omission of ABL. Other than as set forth on Exhibit "B4.2", no suit, proceeding or action or, to the knowledge of ABL, threat of suit, proceeding or action has been asserted or made against the company within the last five years due to alleged bodily injury, disease, medical condition, death or property damage arising out of the function or malfunction of a product. procedure or service designed, manufactured, sold or distributed by ABL.

3.17 Employment Matters.

(a) Exhibit "B4.5" sets forth a true and complete list of every employment agreement (each an "Existing Employment Agreement"), commission agreement, employee group or executive medical, life, or disability insurance plan, and each incentive, bonus, profit sharing, retirement, deferred compensation. equity, phantom stock, stock option, stock purchase, stock appreciation right or severance plan of ABL, to the extent that any such agreement relates to the ABL-Business, now in effect or under which ABL has or might have any obligation, or any understanding between ABLand any employee concerning the terms of such employee's employment that does not apply to ABL (to the extent such employment relates to that of ABL) employees generally (collectively, "Labor Agreements").

(b) ABL has complied in all material respects with all Labor Agreements and all applicable laws relating to employment or labor. All accrued obligations of ABL applicable to its employees, whether arising by operation of Law, by Contract, by past custom or otherwise, for payments by ABL to any trust or other fund or to any Authority, with respect to unemployment or disability compensation benefits, social security benefits, under ERISA or otherwise, have been paid or adequate accruals have been made.

3.18 Environmental Laws.

(a) Except as set forth in Exhibit "B4.2" , ABL has not (i) received any written notice of any alleged claim, violation of or Liability under any Environmental Law which has not heretofore been cured or for which there is any remaining liability; (ii) disposed of, emitted, discharged, handled, stored, transported, used or released any Hazardous Materials, arranged for the disposal, discharge, storage or release of any Hazardous Materials, or exposed any employee or other individual to any Hazardous Materials so as to give rise to any Liability or corrective or remedial obligation under any Environmental Laws; or (iii) entered into any agreement that may require it to guarantee, reimburse, pledge, defend, hold harmless or indemnify any other Person with respect to liabilities arising out of Environmental Laws or the Hazardous Materials Activities of the Companies, except in each case as would not, individually or in the aggregate, have a Material Adverse Effect.

(b) ABL has delivered to NVG all material records in its possession concerning the Hazardous Materials Activities of ABL and all environmental audits and environmental assessments in the possession or control of ABL of any facility currently owned, leased or used by ABL which identifies the potential for any violations of Environmental Law or the presence of Hazardous Materials on any property currently owned, leased or used by ABL.

(c) Except as provided for on Exhibit "B4.6", there are no Hazardous Materials in, on, or under any properties owned, leased or used at any time by ABL such as could give rise to any material liability or corrective or remedial obligation of ABL under any Environmental Laws.

3.19 Finders' Fees. Except as set forth on Exhibit "B4.7", there is no investment banker, broker, finder, or other intermediary which has been retained by or is authorized to act on behalf of ABL who might be entitled to any fee or commission from NVG or any of its Affiliates

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(including ABL following the Closing) upon consummation of the transactions contemplated by this Agreement.

3.20 Disclosure. There is no fact relating to ABL that ABL has not disclosed to NVG in writing that materially and adversely affects nor, as far as Company can now foresee, will materially and adversely affect, the condition (financial or otherwise), properties, assets, liabilities. business operations, results of operations or prospects of Company. No representation or warranty by Company herein and no information disclosed in the schedules or exhibits hereto by Company contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE IV
STATUS OF SCHEDULES AS OF SIGNING DATE; SURVIVAL OF REPRESENTATIONS AND WARRANTIES

4.1 Status of Exhibits as of Signing Date.

(a) To the extent that any of the exhibits to this Agreement are not provided to the NVG on the date of this Agreement, such schedules shall be provided by ABL to the NVG as soon as such schedules are available, but in any event three (3) Business Days prior to the Closing Date (or within such other timeframe as is specifically set forth in Article III). The NVG shall have fifteen (15) days to either accept such schedules as final or provide a written request for revised schedules or additional information relating to items included in such schedules, in the absence of which request the schedules shall be deemed final. Each time additional information or revisions are requested; the NVG shall have fifteen (15) days after receipt of the revised schedules to either accept such schedules as final or provide a written request for revised schedules or additional information relating to items included in such schedules. The disclosure schedules shall be deemed final after the NVG has received the schedules and does not comment on such draft of the schedules for fifteen (15) days after receipt.

(b) Any representations or warranties with respect to those matters or items in any schedule described in Article III shall be made (unless waived or amended) only as of the date on which such Schedule is deemed final pursuant to Section 4.1(a).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF NVG

NVG, hereby represents and warrants to the ABL that:

5.1 Corporate Existence and Power. NVG is a corporation duly organized and existing in good standing under the laws of the Province of British Columbia, Canada. NVG has heretofore delivered to the ABL complete and correct copies of their respective Articles of Incorporation, By-Laws, Articles of Organization and Operating Agreement as now in effect. NVG has full corporate power and authority to carry on their businesses as they are now being conducted and as now proposed to be conducted and to own or lease their respective properties and assets. NVG does not have any subsidiaries or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association, or business.

5.2 Corporate Authorization. The execution, delivery and performance by NVG of this Agreement and the Additional-Agreements and the consummation by NVG of the Transactions contemplated hereby and thereby are within the corporate powers of NVG and have been duly authorized by all necessary corporate action on the part of NVG. This Agreement has been duly executed and delivered by NVG and it constitutes, and upon their execution and delivery, the Additional-Agreements will constitute, a valid and legally binding agreement of NVG, enforceable against it in accordance with its terms.

5.3 Governmental Authorization. Neither the execution, delivery nor performance of this Agreement requires any consent, approval, license, or other action by or in respect of, or registration, declaration or filing with any Authority.

5.4 Non-Contravention. The execution, delivery and performance by NVG of this Agreement do not and will not (i) contravene or conflict with the organizational or constitutive documents of NVG, or (ii) contravene or conflict with or constitute a violation of any provision of any Law, judgment, injunction, order, writ, or decree binding upon NVG.

5.5 Authorized Capital.

(a) The authorized capital stock of NVG consists of (i) unlimited number of Shares-NVG, with no par value per share, ("Shares-NVG") of which 31,751,977 Shares-NVG are issued and outstanding. NVG has 1,600,000 employee and director incentive stock-options ("Options") and 16,313,042 share purchase warrants ("Warrants") outstanding, which will be exercisable into Shares-NVG. There is no voting trust, agreement, or arrangement among any of the beneficial holders of Shares-NVG affecting the nomination or election of directors or the exercise of the voting rights of Shares-NVG. The offer, issuance, and sale of such shares of Shares-NVG are in Canada (a) exempt from the registration and prospectus delivery requirements the CSE, (b) registered or qualified under the registration or qualification requirements of all Stock Exchanges in countries where the Share-NVG are listed (c) accomplished in conformity with all other applicable securities laws. None of the Shares-NVG are subject to a right of withdrawal or a right of rescission under rules of the CSE.

5.6 Validity of Shares-NVG. The Shares-NVG to be issued at the Closing pursuant to Section 2.1 hereof, when issued and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, fully paid and non-assessable but will be subject to an Escrow-Agreement under the rules of the CSE and in accordance to Exhibit "A4.3". The issuance of Shares-NVG upon consummation of the RTO pursuant to Sections 2.1 will be exempt from the registration and prospectus delivery requirements under the rules and regulations of the CSE and from the qualification or registration requirements of any applicable Regulatory Authorities in countries where the Share-NVG are listed for public trading.

5.7 Reporting and Compliance.

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(a) NVG filed all registration statements which are required under the Canadian and German Securities regulation.

(b) NVG has filed with SEDAR.com and made publicly available true and complete copies of the registration statements, information statements and other reports (collectively, the "NVG's CSE Form-7"). As of its respective filing date, each NVG SEC Document complied in all material respects with the requirements of the and the related Regulatory Authorities.

(c) Between the date hereof and the Effective-Date, NVG shall continue to satisfy the filing requirements and all other requirements of applicable securities laws and of the Canadian Securities Exchange.

(d) NVG has otherwise complied with all other applicable securities laws, rules, and regulations of the Regulatory Authorities.

Financial Statements. The balance sheets and statements of operations, stockholders' equity and cash flows contained in the NVGSEC Documents (the "NVG Financial Statements") (a) comply as to form in all material respects with applicable accounting requirements and rules and regulations of the Commission with respect thereto, (b) have been prepared in accordance with the Canadian IFRS applied on a basis consistent with prior periods (and, in the case of unaudited financial information, on a basis consistent with year-end audits), (c) are in accordance with the books and records of NVG and (d) present fairly in all material respects the financial condition of NVG at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified. The financial statements were audited by Manning Elliott, NVG's current independent registered public accounting firm.

5.8 Compliance with Laws and Other Instruments. The execution, delivery and performance by NVG and/or ABL of the Transaction Documents and the other agreements to be made by NVG or ABL pursuant to or in connection with the Merger Documents and the consummation by NVG and/or Acquisition Subsidiary of the transactions contemplated by the RTO Documents will not cause NVG and/or ABL to violate or contravene (a) any provision of law, (b) any rule or regulation of any agency, government or Authority, (c) any order, judgment or decree of any court or Authority, or (d) any provision of their respective charters or By-Laws as amended and in effect on and as of the Closing Date and will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under any material indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or contract to which NVG or ABL is a party or by which NVG and/or ABL or any of their respective properties is bound.

5.9 No General Solicitation. In issuing the Share-NVG in the Transaction hereunder, neither NVG nor anyone acting on its behalf has offered to sell the Shares-NVG by any form of general solicitation or advertising.

5.10 Binding Obligations. This Agreement, together with the Additional-Agreements, constitute the legal, valid, and binding obligations of NVG and ABL, and are enforceable against NVG and ABL, in accordance with their respective terms, except as such enforcement is limited

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by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

5.11 Absence of Undisclosed Liabilities. Neither NVG nor liquidated ABL has any material obligation or liability (whether accrued, absolute, contingent, or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in NVG's monthly report to the CSE and any News Releases, (b) to the extent set forth on or reserved against in the balance sheet of NVG in the most recent CSE Form-7 filed by NVG or the notes to NVG's Financial Statements, (c) current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since the date of the NVG Balance Sheet (the "NVG Balance Sheet Date"), none of which (individually or in the aggregate) materially and adversely affects the Condition of NVG and (d) by the specific terms of any written agreement, document or arrangement attached as an exhibit to NVG's filed CSE Form-7.

5.12 Absence of Changes. Since NVG's Balance Sheet Date, except as disclosed in the NVG annual reporting Documents, NVG has conducted its business in the ordinary course consistent with past practices. Without limiting the generality of the foregoing, except as set forth in NVG's company Documents, since the NVG Balance Sheet Date, there has not been any Material Adverse Effect in the value to Company of the transactions contemplated hereby.

5.13 Tax Returns and Audits. All required federal, provincial and local Tax Returns of NVG have been accurately prepared in all material respects and duly and timely filed, and all federal, provincial and local Taxes required to be paid with respect to the periods covered by such returns have been paid to the extent that the same have become due, except where the failure so to file or pay could not reasonably be expected to have a material adverse effect upon the Condition of NVG. NVG is not and has not been delinquent in the payment of any Tax. NVG has not had a Tax deficiency assessed against it and has not executed a waiver of any statute of limitations or the assessment or collection of any Tax. None of NVG's federal income, provincial and local income and franchise tax returns have been audited by any governmental authority; and none of NVG's provincial or local income or franchise Tax Returns has been audited by any governmental authority. The reserves for Taxes reflected on NVG's Balance Sheet are and will be sufficient for the payment of all unpaid Taxes payable by NVG with respect to the period ended on NVG's Balance Sheet Date. Since NVG's Balance Sheet Date, NVG has made adequate provisions on its books of account for all Taxes with respect to its business, properties, and operations for such period. NVG has withheld or collected from each payment made to each of its employees the amount of all Taxes (including, but not limited to, federal, state, and local income Taxes, Federal Insurance Contribution Act Taxes and Federal Unemployment Tax Act Taxes) required to be withheld or collected therefrom and has paid the same to the proper Tax receiving officers or authorized depositaries. There are no federal, state, local or foreign audits, actions, suits, proceedings, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns of NVG now pending, and NVG has not received any notice of any proposed audits, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns. NVG has not agreed, nor is it required, to make any adjustments under Section 481(a) of the Code (or any similar provision of state, local and foreign law), whether by reason of a change in accounting method or otherwise, for any Tax period for which the applicable statute of limitations has not yet expired. NVG (i) is not a party to, nor is it bound by or obligated under, any Tax Sharing

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Agreements. and (ii) does not have any potential liability or obligation to any Person as a result of. or pursuant to, any such Tax Sharing Agreements. NVG has no liability for any other taxpayer under U.S. Treasury Regulation 1.1502-6 or Canadian similar provision.

5.14 Litigation. There is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or. to the knowledge of NVG, threatened against or affecting Parent or Acquisition Subsidiary or any of their respective properties, assets or businesses and, to the knowledge of NVG, there is no incident, transaction, occurrence or circumstance that might reasonably be expected to result in or form the basis for any such action, suit, arbitration or other proceeding. Neither NVG nor ABL is in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

5.15 Interested Party Transactions. No officer, director or stockholder of NVG or any Affiliate or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such Person or of NVG has or has had, either directly or indirectly, (a) an interest in any Person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by NVG or (ii) purchases from or sells or furnishes to NVG any goods or services, or (b) a beneficial interest in any contract or agreement to which NVG is a party or by which it or any of its assets may be bound or affected.

5.16 Obligations to or by Stockholders. NVG has no liability or obligation or commitment to any stockholder of NVG or any Affiliate or "associate" of any stockholder of NVG, nor does any stockholder of NVG or any such Affiliate or associate have any liability, obligation, or commitment to NVG except those disclosed in Exhibit "A4.2".

5.17 Assets and Contracts.

(a) NVG has no title to, or valid leaschold interests in any properties and assets as the company was investigation for the acquisition of a qualifying project.

(b) Except as expressly set forth in this Agreement, NVG's Balance Sheet, or the notes thereto, or the NVG's CSE Form-7, NVG is not a party to any written or oral agreement not made in the ordinary course of business that is material to the company. NVG does not own any real property. NVG maintains no insurance policies or insurance coverage of any kind with respect to NVG, its business, premises, properties, assets, employees, and agents. No consent of any bank or other depository is required to maintain any bank account, other deposit relationship or safety deposit box of NVG in effect following the consummation of the Transactions contemplated hereby.

5.18 Employees. Other than pursuant to ordinary arrangements of employment compensation (which such arrangements are described in the NVG's CSE Form-7, NVG is not under any obligation or liability to any officer, director, employee, or Affiliate of NVG.

5.19 Duty to Make Inquiry. To the extent that any of the representations or warranties in this Article V are qualified by "knowledge" or "belief," NVG represents and warrants that it has made due and reasonable inquiry and investigation concerning the matters to which such representations and warranties relate, including, but not limited to, diligent inquiry of its directors and executive officers.

5.20 Market Makers. NVG as the Resulting Issuer will have at least two (2) market makers for the Shares-NVG and such market makers shall have obtained all permits and made all filings necessary in order for such market makers to continue as market makers of Resulting Issuer.

5.21 Internal Accounting Controls. Except as set forth in Schedule 5.26, NVG as the Resulting Issuer will maintain a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations, (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian IFRS and to maintain asset accountability, (c) access to assets is permitted only in accordance with management's general or specific authorization, and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as set forth in Schedule 5.26, NVG has established disclosure controls and procedures for NVG and designed such disclosure controls and procedures to ensure that material information relating to the Parent is made known to the officers by others within those entities. NVG's officers have evaluated the effectiveness of the NVG's controls and procedures as of the date prior to the filing date of the most recently filed periodic report under the CSE rules and regulations. Since the Evaluation Date, there have been no significant changes in NVG's internal controls or, to NVG's knowledge, in other factors that could significantly affect NVG's internal controls.

5.22 Certain Registration Matters. Except as specified in the NVG's CSE Form-7 filings, prior to the date hereof, NVG has not granted or agreed to grant to any person any rights (including "piggy-back" registration rights) to have any securities of NVG registered with the Commission or any other governmental authority that have not been satisfied.

5.23 Disclosure. There is no fact relating to NVG that NVG has not disclosed to ABL in writing that materially and adversely affects nor, as far as NVG can now foresee, will materially and adversely affect, the condition (financial or otherwise), properties, assets, liabilities, business operations, results of operations or prospects of Parent. No representation or warranty by NVG herein and no information disclosed in the schedules or exhibits hereto by NVG contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE VI

COVENANTS OF ALL PARTIES HERETO

The Parties hereto covenant and agree that:

6.1 Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, each party shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Laws, and in the case of ABL as reasonably requested by NVG, to consummate and implement expeditiously each of the transactions contemplated by this Agreement, provided, however, that upon NVG's request, the Parties hereto will work together in good faith to perform further analysis of the structure of the transactions contemplated by this Agreement following additional diligence to further evaluate the relative tax efficiencies of such transactions, and, if such analysis identifies a structure that is generally more tax efficient than the structure contemplated by this Agreement, the Parties agree to negotiate such alternate structure in good faith and take any actions necessary to implement such alternate structure.

6.2 Confidentiality. ABL, on the one hand, and NVG, on the other hand, shall hold and shall cause their respective representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all documents and information concerning the other party furnished to it by such other party or its representatives in connection with the transactions contemplated by this Agreement (except to the extent that such information can be shown to have been (a) previously known by the party to which it was furnished, (b) in the public domain through no fault of such party or (c) later lawfully acquired from other sources, which source is not the agent of the other party, by the party to which it was furnished), and each party shall not release or disclose such information to any other person, except its representatives in connection with this Agreement. In the event that any party believes that it is required to disclose any such confidential information pursuant to applicable Laws, such party shall give timely written notice to the other party so that such party may have an opportunity to obtain a protective order or other appropriate relief. Each party shall be deemed to have satisfied its obligations to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information. The Parties acknowledge that some previously confidential information will be required to be disclosed in the Proxy Statement.

6.3 As of the Effective Date, all liabilities of NVG and ABL shall have been paid off and shall in no event remain liabilities of NVG, ABL, or the Resulting Issuer.

ARTICLE VII
CONDUCT OF BUSINESS PENDING COMPLETION

7.1 Conduct of Business by ABL Pending the completion. Prior to the Effective Date, unless NVG shall otherwise agree in writing or as otherwise contemplated by this Agreement or the Additional Agreements:

(a) The Business of the ABL shall be conducted only in the ordinary course;

(b) ABL shall not (i) directly or indirectly redeem, purchase or otherwise acquire or agree to redeem, purchase or otherwise acquire any of its Securities-Units; (ii) amend its Operating Agreement except to effectuate the Transactions contemplated in this Agreement or (iii) split, combine or reclassify the outstanding Securities-Units or declare, set aside or pay any dividend payable in cash, equity or property or make any distribution with respect to any such Securities-Units;

(c) ABL shall not (i) issue or agree to issue any additional Shares, or options, warrants or rights of any kind to acquire any Securities-Units; (ii) acquire or dispose of any fixed assets or acquire or dispose of any other substantial assets other than in the ordinary course of business; (iii) incur additional Indebtedness or any other liabilities or enter into any other transaction other than in the ordinary course of business; (iv) enter into

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any contract, agreement, commitment or arrangement with respect to any of the foregoing or (v) except as contemplated by this Agreement, enter into any contract, agreement, commitment or arrangement to dissolve, merge, consolidate or enter into any other material business combination;

(d) ABL shall use its commercially reasonable efforts to preserve intact the business organization of ABL, to keep available the service of its present officers and key employees, and to preserve the good will of those having business relationships with it;

(e) ABL will not, nor will it authorize any director or authorize or permit any officer or employee or any attorney, accountant or other representative retained by it to make, solicit, encourage any inquiries with respect to, or engage in any negotiations concerning, any Acquisition-Proposal (as defined below for purposes of this paragraph). ABL will promptly advise NVG orally and in writing of any such inquiries or proposals (or requests for information) and the substance thereof. As used in this paragraph, "Acquisition Proposal" shall mean any proposal for a merger or other business combination involving ABL or for the acquisition of a substantial equity interest in it or any material assets of it other than as contemplated by this Agreement. ABL will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing; and

(f) ABL will not enter into any new employment agreements with any of its officers or employees or grant any increases in the compensation or benefits of its officers and employees or amend any employee benefit plan or arrangement.

7.2 Conduct of Business by NVG pending the RTO. Prior to the Effective- Date, unless the ABL shall otherwise agree in writing or as otherwise contemplated by this Agreement: .

(a) The business of NVG shall be conducted only in the ordinary course; provided, however, that NVG shall take the steps necessary to have discontinued its existing business without liability to NVG immediately prior the Effective-Date;

(b) NVG shall not (i) directly or indirectly redeem, purchase or otherwise acquire or agree to redeem, purchase or otherwise acquire any shares of its capital stock; (ii) amend its charter or By-Laws other than to effectuate the Transactions contemplated hereby; or (iii) split, combine or reclassify its capital stock or declare, set aside or pay any dividend payable in cash, stock or property or make any distribution with respect to such stock; but (iv) the Parties agree specifically that the exercise period of the issued incentive stock options, granted to any director or officer who served NVG on an unpaid basis and who reigns or is going to be asked to resign because of the company's change of business direction, will be extended for twelve months from the Effective-Date as defined with Exhibit "A1.0" of this Agreement.;

(c) NVG shall not (i) issue or agree to issue any additional shares of, or options, warrants or rights of any kind to acquire shares of, its capital stock other than to effectuate the transactions contemplated or permitted pursuant to this Agreement; (ii) acquire or dispose of any assets other than in the ordinary course of business (except for dispositions in connection with Section 7.2(a) hereof); (iii) incur additional

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Indebtedness or any other liabilities or enter into any other transaction except in the ordinary course of business; (iv) enter into any contract, agreement, commitment or arrangement with respect to any of the foregoing or (v) except as contemplated by this Agreement, enter into any contract, agreement. commitment or arrangement to dissolve, merge, consolidate or enter into any other material business contract or enter into any negotiations in connection therewith;

(d) NVG will not, nor will they authorize any director or authorize or permit any officer or employee or any attorney, accountant or other representative retained by them to, make, solicit, encourage any inquiries with respect to, or engage in any negotiations concerning, any Acquisition-Proposal (as defined below for purposes of this paragraph). NVG will promptly advise ABL orally and in writing of any such inquiries or proposals (or requests for information) and the substance thereof. As used in this paragraph, "Acquisition-Proposal" shall mean any proposal for a merger or other business combination involving NVG or ABL or for the acquisition of a substantial equity interest in either of them or any material assets of either of them other than as contemplated by this Agreement. NVG will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing; and

(e) NVG will not enter into any new employment agreements with any of their officers or employees or grant any increases in the compensation or benefits of their officers and employees.

7.3 Prior to the Closing-Date, the ABL shall have hired a Chief Operating Officer reasonably satisfactory to the ABL's Board of Directors who shall approve the selection of such officer and the terms and conditions of his or her employment.

ARTICLE VIII
CONDITIONS TO CLOSING

8.1 <u>Condition to the Obligations of the Parties</u>. The obligations of all of the parties to consummate the Closing are subject to the satisfaction of all the following conditions:

(a) No provisions of any applicable Law, and no Order shall prohibit or impose any condition on the consummation of the Closing and/or Approval-CSE.

(b) There shall not be any Action brought by a third-party non-Affiliate to enjoin or otherwise restrict the consummation of the Closing.

(c) The Parties agree to leave the warrants as are currently disclosed in the NVG's public filings intact and to allow the warrants to be exercised.

(d) Each of the Additional-Agreements shall have been entered into and the same shall be in full force and effect.

(e) NVG shall have received the Financial Statements of the ABL in form satisfactory to NVG and ABL.

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(f) The Parties shall have received the written consent of the Ordinary Shareholders of ABL in a form satisfactory to the CSE the NVG and the ABL, authorizing the exchange of the ordinary Shares of ABL for Shares-NVG as set forth in Section 2.1.

8.2 Conditions to Obligations of NVG. The obligation of NVG to consummate the Closing is subject to the satisfaction, or the waiver at NVG's sole and absolute discretion, of all the following further conditions:

(a) The ABL shall have duly performed all of its obligations hereunder required to be performed by them at or prior to the Closing Date.

(b) All of the representations and warranties of the ABL contained in this Agreement, any Additional Agreements and in any certificate delivered by the Target Company and/or NVG, their respective Managers or any major Shareholders pursuant hereto, disregarding all qualifications and exceptions contained therein relating to knowledge, materiality or Material Adverse Effect, shall: (i) shall be exhibited be true, correct and complete (A) at and as of the date of this Agreement, or, (B) if otherwise specified, when made or when deemed to have been made, and (ii) be true, correct and complete as of the Closing Date, in the case of (i) and (ii) with only such exceptions as could not in the aggregate reasonably be expected to have a Material Adverse Effect.

(c) There shall have been no event, change or occurrence which individually or together with any other event, change or occurrence, could reasonably be expected to have a Material Adverse Effect, regardless of whether it involved a known risk.

(d) NVG shall have received a certificate signed by the Manager of ABL to the effect set forth in clauses (a) through (c) of this Section 8.2.

(e) No court, arbitrator or other Authority shall have issued any judgment, injunction, decree or order, or have pending before it a proceeding for the issuance of any thereof, and there shall not be any provision of any applicable Law restraining or prohibiting the consummation of the Closing, the ownership by NVG of any of the Units or the effective operation of the Business by ABL after the Closing Date.

(f) NVG shall have received from each major shareholder a general release of all claims against ABL and their officers, directors, employees, and Affiliates (other than NVG solely in connection with this Agreement and the Additional-Agreements) in form satisfactory to Parent.

(g) NVG shall have received final Schedules unless waived in writing by NVG.

(h) NVG shall have received the Financial Statements.

8.3 Conditions to Obligations of ABL. The obligation of ABL to consummate the Closing is subject to the satisfaction, or the waiver at ABL's discretion, of all of the following further conditions:

(a) (i) NVG and ABL shall have performed in all material respects all of their respective obligations hereunder required to be performed by it at or prior to the Closing

Date, (ii) the representations and warranties of NVG and Acquisition Subsidiary contained in this Agreement, and in any certificate or other writing delivered by NVG pursuant hereto, disregarding all qualifications and expectations contained therein relating to materiality shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of such date, and (iii) ABL shall have received a certificate signed by an authorized officer of NVG and the NVG to the foregoing effect.

(b) NVG shall have executed and delivered to the Ordinary Shareholders and common shareholders as the case may be s each Additional Agreement to which it is a party.

(c) NVG's fiscal year end is December 31st

ARTICLE IX
INDEMNIFICATION

9.1 Indemnification of Company. NVG ("NVG Indemnifying Party") hereby agrees to indemnify and hold harmless to the fullest extent permitted by applicable law ABL, each of its Affiliates and each of its and their respective members, managers, partners, directors, officers, employees, stockholders, attorneys and agents and permitted assignees (each a "Company Indemnified Party"), against and in respect of any and all out-of-pocket loss, cost, payments, demand, penalty, forfeiture, expense, liability, judgment, deficiency or damage, and diminution in value or claim (including actual costs of investigation and attorneys' fees and other costs and expenses) (all of the foregoing collectively, "Losses") incurred or sustained by any Company Indemnified Party as a result of or in connection with (a) any breach, inaccuracy or nonfulfillment or the alleged breach, inaccuracy or nonfulfillment of any of the representations, warranties, covenants and agreements of the NVG contained herein or in any of the Additional Agreements or any certificate or other writing delivered pursuant hereto, (b) any Actions by any third parties with respect to the NVG (including breach of contract claims, violations of warranties, trademark infringement, privacy violations, torts or consumer complaints) for any period on or prior to the Closing Date.

9.2 Indemnification of NVG. ABL (the "ABL Indemnifying Party") hereby agrees to indemnify and hold harmless to the fullest extent permitted by applicable law NVG, each of its Affiliates and each of its and their respective officers, directors, employees, stockholders, attorneys and agents and permitted assignees (each a "NVG Indemnified Party"), against and in respect of any and all out-of-pocket loss, cost, payments, demand, penalty, forfeiture, expense, liability, judgment, deficiency or damage, and diminution in value or claim (including actual costs of investigation and attorneys' fees and other costs and expenses) (all of the foregoing collectively, "Losses") incurred or sustained by any NVG Indemnified Party as a result of or in connection with (a) any breach, inaccuracy or nonfulfillment or the alleged breach, inaccuracy or nonfulfillment of any of the representations, warranties, covenants and agreements of ABL contained herein or in any of the Additional Agreements or any certificate or other writing delivered pursuant hereto, (b) any Actions by any third parties with respect to ABL (including breach of contract claims, violations of warranties, trademark infringement, privacy violations, torts or consumer complaints) for any period on or prior to the Closing Date.

9.3 Procedure. The following shall apply with respect to all claims by a NVG Indemnified Party or Company Indemnified Party for indemnification:

(a) An indemnified party shall give the indemnifying party prompt notice (an "Indemnification Notice") of any third-party Action with respect to which such indemnified party seeks indemnification pursuant to Section 9.1 (a "Third-Party Claim"), which shall describe in reasonable detail the Loss that has been or may be suffered by the indemnified party. The failure to give the Indemnification Notice shall not impair any of the rights or benefits of such indemnified party under Section 9.1, except to the extent such failure materially and adversely affects the ability of the Indemnifying Party to defend such claim or increases the amount of such liability.

(b) In the case of any Third-Party Claims as to which indemnification is sought by any indemnified party, such indemnified party shall be entitled, at the sole expense and liability of the Indemnifying Party, to exercise full control of the defense, compromise or settlement of any Third-Party Claim unless the Indemnifying Party, within a reasonable time after the giving of an Indemnification Notice by the indemnified party (but in any event within ten (10) days thereafter), shall (i) deliver a written confirmation to such indemnified party that the indemnification provisions of Section 9.1 are applicable to such Action and the Indemnifying Party will indemnify such indemnified party in respect of such Action pursuant to the terms of Section 8.1 and, notwithstanding anything to the contrary, shall do so without asserting any challenge, defense, limitation on the Indemnifying Party's liability for Losses, counterclaim or offset, (ii) notify such indemnified party in writing of the intention of the indemnifying party to assume the defense thereof, and (iii) retain legal counsel reasonably satisfactory to such indemnified party to conduct the defense of such Third-Party Claim.

(c) If the indemnifying party assumes the defense of any such Third-Party Claim pursuant to Section 9.2(b), then the indemnified party shall cooperate with the indemnifying party in any manner reasonably requested in connection with the defense, and the indemnified party shall have the right to be kept fully informed by the indemnifying party and their legal counsel with respect to the status of any legal proceedings, to the extent not inconsistent with the preservation of attorney-client or work product privilege. If the indemnifying party so assumes the defense of any such Third-Party Claim, the indemnified party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel employed by the indemnified party shall be at the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, or (ii) the named parties to any such Third-Party Claim (including any impleaded parties) include an indemnified party and the indemnifying party and the indemnified party shall have been advised by its counsel that there may be a conflict of interest between such indemnified party and the indemnifying party in the conduct of the defense thereof, and in any such case the reasonable fees and expenses of such separate counsel shall be borne by the indemnifying party.

(d) If the indemnifying party elects to assume the defense of any Third-Party Claim pursuant to Section 9.2(b), the indemnified party shall not pay, or permit to be paid, any part of any claim or demand arising from such asserted liability unless the indemnifying party withdraws from or fails to vigorously prosecute the defense of such asserted liability, or unless a judgment is entered against the indemnified party for such liability. If the indemnifying party does not elect to defend, or if, after commencing or undertaking any such defense, the indemnifying party fails to adequately prosecute or withdraw such defense, the indemnified party shall have the right to undertake the defense or settlement thereof, at the indemnifying party's expense. Notwithstanding anything to the contrary, the indemnifying party shall not be entitled to control, but may participate in, and the indemnified party (at the expense of the Indemnifying parties) shall be entitled to have sole control over, the defense or settlement of (x) that part of any Third Party Claim (i) that seeks a temporary restraining order, a preliminary or permanent injunction or specific performance against the indemnified party, or (ii) to the extent such Third Party Claim involves criminal allegations against the indemnified party or (y) the entire Third Party Claim if such Third Party Claim would impose liability on the part of the indemnified party. In the event the indemnified party retains control of the Third-Party Claim, the indemnified party will not settle the subject claim without the prior written consent of the indemnifying party, which consent will not be unreasonably withheld or delayed.

(e) If the indemnified party undertakes the defense of any such Third-Party Claim pursuant to this Section 9.2 and proposes to settle the same prior to a final judgment thereon or to forgo appeal with respect thereto, then the indemnified party shall give the indemnifying party prompt written notice thereof and the indemnifying party shall have the right to participate in the settlement, assume or reassume the defense thereof or prosecute such appeal, in each case at the indemnifying party's expense. The indemnifying party shall not, without the prior written consent of such indemnified party settle or compromise or consent to entry of any judgment with respect to any such Third-Party Claim (i) in which any relief other than the payment of money damages is or may be sought against such indemnified party, (ii) in which such Third Party Claim could be reasonably expected to impose or create a monetary liability on the part of the indemnified party (such as an increase in the indemnified party's income Tax) other than the monetary claim of the third party in such Third-Party Claim being paid pursuant to such settlement or judgment, or (iii) which does not include as an unconditional term thereof the giving by the claimant, person conducting such investigation or initiating such hearing, plaintiff or petitioner to such indemnified party of a release from all liability with respect to such Third-Party Claim and all other Actions (known or unknown) arising or which might arise out of the same facts.

9.4 Periodic Payments. Any indemnification required by Section 9.1 for costs, disbursements, or expenses of any indemnified party in connection with investigating, preparing to defend or defending any Action shall be made by periodic payments by the indemnifying party to each indemnified party during the course of the investigation or defense, as and when bills are received, or costs, disbursements or expenses are incurred.

9.5 Insurance. Any indemnification payments hereunder shall consider any insurance proceeds or other third-party reimbursement received.

ARTICLE X
DISPUTE RESOLUTION

10.1 Arbitration.

(a) In the event of any dispute or difference arising out of or related to this Agreement any Additional-Agreement or a breach thereof, the Parties shall use their best efforts to settle their disputes and differences. To this effect, they shall consult and negotiate with each other,

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in good faith and understanding for their mutual interests, to reach a just and equitable solution satisfactory to the Parties. If they do not reach such solution within a period of thirty (30) days, than their disputes or differences, the Parties shall promptly submit any dispute, claim, or controversy arising out of or relating to this Agreement, or any Additional-Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance, or enforcement of this Agreement or any Additional Agreement) or any alleged breach thereof (including any action in tort, contract, equity, or otherwise), to binding arbitration before one arbitrator (the "Arbitrator"). Binding arbitration shall be the sole means of resolving any dispute, claim, or controversy arising out of or relating to this Agreement or any Additional-Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance or enforcement of this Agreement or any Additional-Agreement) or any alleged breach thereof (including any claim in tort, contract, equity, or otherwise).

(b) If any dispute arises under this agreement, including the formation, interpretation, breach or termination hereof including whether the claims asserted are arbitrable, will be referred to and finally determined by arbitration in accordance with the Judicial Arbitration and Mediation Services ("JAMS") International Arbitration Rules. The Tribunal will consist of three arbitrators. The place of arbitration shall be determined on the basis of the forum most convenient to the Parties and witnesses. The language to be used in the arbitral proceedings will be English. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(c) Within 15 days after the commencement of arbitration, each party shall select one person to act as arbitrator within the allotted time, the third arbitrator shall be appointed by JAMS in accordance with its rules. All arbitrators shall serve as neutral, independent and impartial arbitrators.

(b) The Arbitrator may, at his discretion and at the expense of the party who will bear the cost of the arbitration, employ experts to assist him in his determinations.

(c) The costs of the arbitration proceeding and any proceeding in court to confirm any arbitration award or to obtain relief, as applicable (including actual attorneys' fees and costs), shall be borne by the unsuccessful party and shall be awarded as part of the Arbitrator's decision, unless the Arbitrator shall otherwise allocate such costs in such decision. The determination of the Arbitrator shall be final and binding upon the Parties and not subject to appeal.

(d) Any judgment upon any award rendered by the Arbitrator may be entered in and enforced by any court of competent jurisdiction. The Parties expressly consent to the non-exclusive jurisdiction of the courts on the defined under Section 12.7 of this Agreement to enforce any award of the Arbitrator or to render any provisional, temporary, or injunctive relief in connection with or in aid of the Arbitration. The Parties expressly consent to the personal and subject matter jurisdiction of the Arbitrator to arbitrate any and all matters to be submitted to arbitration hereunder. None of the parties hereto shall challenge any arbitration hereunder on the grounds that any party necessary to such arbitration (including the Parties hereto) shall have been absent from such arbitration for any reason, including that such party shall have been the subject of any bankruptcy, reorganization, or insolvency proceeding.

(e) The Parties shall indemnify the Arbitrator and any experts employed by the Arbitrator and hold them harmless from and against any claim or demand arising out of any arbitration under this Agreement or any agreement contemplated hereby, unless resulting from the gross negligence or willful misconduct of the person indemnified.

(f) The Parties shall maintain the confidential nature of the proceeding and the Award, including the Hearing, except as may be necessary to prepare for or the conduct of the arbitration hearing on the merits. or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an Award or its enforcement, or unless required to be disclosed by government regulation.

(g) This arbitration section shall survive the termination of this Agreement and any agreement contemplated hereby.

10.2 Waiver of Jury Trial; Exemplary Damages.

(a) THE PARTIES TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT EACH SUCH PARTY MAY HAVE TO TRIAL BY JURY IN ANY ACTION OF ANY KIND OR NATURE, IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY ADDITIONAL AGREEMENT, OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PARTIES TO THIS AGREEMENT OF ANY KIND OR NATURE. NO PARTY SHALL BE AWARDED PUNITIVE OR OTHER EXEMPLARY DAMAGES RESPECTING ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY ADDITIONAL AGREEMENT.

(b) Each of the parties to this Agreement acknowledge that each has been represented in connection with the signing of this waiver by independent legal counsel selected by the respective party and that such party has discussed the legal consequences and import of this waiver with legal counsel. Each of the parties to this Agreement further acknowledge that each has read and understands the meaning of this waiver and grants this waiver knowingly, voluntarily, without duress and only after consideration of the consequences of this waiver with legal counsel.

ARTICLE XI
TERMINATION

11.1 Termination Without Default; Expenses. In the event that the Closing of the transactions contemplated hereunder has not occurred by March 30, 2018 (the "Outside Closing Date") and no material breach of this Agreement by NVG, on one hand, or ABL, on the other hand, seeking to terminate this Agreement shall have occurred or have been made, NVG or ABL shall have the right, at its sole option, to terminate this Agreement without liability to the other side. Such right may be exercised by NVG or ABL, as the case may be, giving written notice to the other at any time after the Outside Closing Date. In the event this Agreement is terminated pursuant to this Section 11.1, each party shall bear its own expenses incurred in connection with this Agreement.

11.2 Termination Upon Default.

(a) NVG may terminate this Agreement by giving notice to the ABL on or prior to the Closing Date, without prejudice to any rights or obligations NVG may have, if ABL or any Member shall have materially breached any representation or warranty or breached any agreement or covenant contained herein or in any Additional Agreement to be performed on or prior to the Closing Date and such breach shall not be cured by the earlier of the Outside Closing Date and fifteen (15) days following receipt by ABL of a notice describing in reasonable detail the nature of such breach.

(b) ABL may terminate this Agreement by giving notice to NVG, without prejudice to any rights or obligations ABL or Members may have, if NVG shall have materially breached any of its covenants, agreements, representations, and warranties contained herein to be performed on or prior to the Closing Date and such breach shall not be cured by the earlier of the Outside Closing Date and fifteen (15) days following receipt by NVG of a notice describing in reasonable detail the nature of such breach.

11.3 Survival. The provisions of Articles IX, XI and XII, as well as Section 6.2, shall survive any termination hereof pursuant to Article XI.

ARTICLE XII
MISCELLANEOUS

12.1 Notices. Any notice hereunder shall be sent in writing, addressed as specified below, and shall be deemed given: (a) if by hand or recognized courier service, by 4:00PM on a Business Day, addressee's day and time, on the date of delivery, and otherwise on the first business day after such delivery; (b) if by fax or email, on the date that transmission is confirmed electronically, if by 4:00 PM on a Business Day, addressee's day and time, and otherwise on the first Business Day after the date of such confirmation; or (c) five (5) days after mailing by certified or registered mail, return receipt requested. Notices shall be addressed to the respective parties as follows (excluding telephone numbers, which are for convenience only), or to such other address as a party shall specify to the others in accordance with these notice provisions:

If to NVG:

Nass Valley Gateway Ltd.
Attention Dieter Peter (email: dwp@3xgmm.com)
Suite#170- 422 Richards Street,
Vancouver, British Columbia, V6B 2Z4, Canada

if to ABL:

Advanced Bioceuticals Limited
Attention Gregory Vax (email: gregory.vax@gmail.com)
525 Boulevard – 2nd Floor
Kenilworth, NJ 07033, USA

12.2 Amendments: No Waivers: Remedies.

(a) This Agreement cannot be amended, except by a writing signed by each party, and cannot be terminated orally or by course of conduct. No provision hereof can be waived, except by a writing signed by the party against whom such waiver is to be enforced, and any such waiver shall apply only in the particular instance in which such waiver shall have been given.

(b) Neither any failure or delay in exercising any right or remedy hereunder or in requiring satisfaction of any condition herein nor any course of dealing shall constitute a waiver of or prevent any party from enforcing any right or remedy or from requiring satisfaction of any condition. No notice to or demand on a party waives or otherwise affects any obligation of that party or impairs any right of the party giving such notice or making such demand, including any right to take any action without notice or demand not otherwise required by this Agreement. No exercise of any right or remedy with respect to a breach of this Agreement shall preclude exercise of any other right or remedy, as appropriate to make the aggrieved party whole with respect to such breach, or subsequent exercise of any right or remedy with respect to any other breach.

(c) Except as otherwise expressly provided herein, no statement herein of any right or remedy shall impair any other right or remedy stated herein or that otherwise may be available.

(d) Notwithstanding anything else contained herein, neither shall any party seek, nor shall any party be liable for, punitive or exemplary damages, under any tort, contract, equity, or other legal theory, with respect to any breach (or alleged breach) of this Agreement or any provision hereof or any matter otherwise relating hereto or arising in connection herewith.

12.3 Arm's Length Bargaining; No Presumption Against Drafter. This Agreement has been negotiated at arm's-length by parties of equal bargaining strength, each represented by counsel or having had but declined the opportunity to be represented by counsel and having participated in the drafting of this Agreement. This Agreement creates no fiduciary or other special relationship between the Parties, and no such relationship otherwise exists. No presumption in favor of or against any party in the construction or interpretation of this Agreement or any provision hereof shall be made based upon which Person might have drafted this Agreement or such provision.

12.4 Publicity. Except as required by law, the Parties agree that neither they nor their agents shall issue any press release or make any other public disclosure concerning the transactions contemplated hereunder without the prior approval of the other party hereto.

12.5 Expenses. Except as otherwise expressly set forth herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense.

12.6 No Assignment or Delegation. No party may assign any right or delegate any obligation hereunder, including by merger, consolidation, operation of law, or otherwise, without the written consent of the other party. Any purported assignment or delegation without such consent shall be void, in addition to constituting a material breach of this Agreement.

12.7 Governing Law.

(a) This Agreement including all issues concerning NVG's issuance of any Shares-NVG or shares of the Resulting Issuer shall be construed in accordance with and governed by the laws of the Province of British Columbia, Canada and without giving effect to the conflict of laws principles thereof;

(b) all issues concerning management and employees of ABL and ABL's subsidiary; and, will be construed and governed by the laws of the jurisdiction operating company is going to be incorporated under; and

(c) the Parties hereby expressly consent to the personal jurisdiction of the courts located within the jurisdictions referred to under subsections 18.1 (a) and 18.1 (b) respectively, for any lawsuit filed and arising from or relating to this Agreement and all Additional-Agreements. Any and all challenges on personal jurisdiction of the courts are hereby expressed waived and abandoned.

12.8 Counterparts; facsimile signatures. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one agreement. This Agreement shall become effective upon delivery to each party of an executed counterpart or the earlier delivery to each party of original, photocopied, or electronically transmitted signature pages that together (but need not individually) bear the signatures of all other parties.

12.9 Entire Agreement. This Agreement together with the Additional Agreements, sets forth the entire agreement of the Parties with respect to the subject matter hereof and thereof and supersedes all prior and contemporaneous understandings and agreements related thereto (whether written or oral), all of which are merged herein. No provision of this Agreement or any Additional Agreement may be explained or qualified by any agreement, negotiations, understanding, discussion, conduct or course of conduct or by any trade usage. Except as otherwise expressly stated herein or any Additional Agreement, there is no condition precedent to the effectiveness of any provision hereof or thereof. No party has relied on any representation from, or warranty or agreement of, any person in entering into this Agreement, prior hereto or contemporaneous herewith or any Additional Agreement, except those expressly stated herein or therein.

12.10 Severability. A determination by a court or other legal authority that any provision that is not of the essence of this Agreement is legally invalid shall not affect the validity or enforceability of any other provision hereof. The Parties shall cooperate in good faith to substitute (or cause such court or other legal authority to substitute) for any provision so held to be invalid a valid provision, as alike in substance to such invalid provision as is lawful.

12.11 Construction of Certain Terms and References; Captions.

In this Agreement:

(a) References to sections and subsections, schedules, and exhibits not otherwise specified are cross-references to sections and subsections, schedules, and exhibits of this Agreement.

(b) The words "herein," "hereof," "hereunder," and words of similar import refer to this Agreement and not to any provision of this Agreement, and, unless the context requires otherwise, "party" means a party signatory hereto.

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(c) Any use of the singular or plural, or the masculine, feminine, or neuter gender, includes the others, unless the context otherwise requires; "including" means "including without limitation;" "or" means "and/or;" "any" means "any one, more than one, or all;" and, unless otherwise specified, any financial or accounting term has the meaning of the term under United States generally accepted accounting principles as consistently applied heretofore by ABL.

(d) Unless otherwise specified, any reference to any agreement (including this Agreement), instrument, or other document includes all schedules, exhibits, or other attachments referred to therein, and any reference to a statute or other law includes any rule, regulation, ordinance, or the like promulgated thereunder, in each case, as amended, restated, supplemented, or otherwise modified from time to time. Any reference to a numbered schedule means the same-numbered section of the disclosure schedule.

(e) If any action is required to be taken or notice is required to be given within a specified number of days following a specific date or event, the day of such date or event is not counted in determining the last day for such action or notice. If any action is required to be taken or notice is required to be given on or before a day which is not a Business Day, such action or notice shall be considered timely if it is taken or given on or before the next Business Day.

(f) Captions are not a part of this Agreement, but are included for convenience, only.

(g) For the avoidance of any doubt, all references in this Agreement to "the knowledge or best knowledge of ABL" or similar terms shall be deemed to include the actual or constructive (e.g., implied by Law) knowledge of the Manager of ABL.

12.12 Further Assurances. Each party shall execute and deliver such documents and take such action, as may reasonably be considered within the scope of such party's obligations hereunder, necessary to effectuate the transactions contemplated by this Agreement.

12.13 Third Party Beneficiaries. Neither this Agreement nor any provision hereof confers any benefit or right upon or may be enforced by any Person not a signatory hereto.

Signature Page follows:

IN WITNESS WHEREOF, NVG, ABL, have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NVG:
Nass Valley Gateway Ltd.

Name: ______________
By: Dieter Peter, President & CEO

Name: ______________
Andrew von Kursell, Director

ABL:

Advanced Bioceuticals Limited

By: ______________

Name: Gregory Vax
Title: Chief Executive Officer

By: ______________

Name: Michael Racaniello,
Title: Chief Operating Officer

AMENDMENT NO. 1

TO THE DEFINITIVE ACQUISITION AND SHARE EXCHANGE AGREEMENT

This agreement is dated for reference March 12th, 2019 (the **"Amendment"**)

AMONG:

NASS VALLEY GATEWAY LTD., a company duly incorporated pursuant to the laws of the Province of British Columbia and having an office address at Suite 170 – 422 Richards Street, Vancouver, British Columbia V6B 2Z4, Canada (hereinafter referred to as "**NVG**" or the (**"Issuer"**))

AND:

ADVANCED BIOCEUTICALS LIMITED, a corporation duly existing under the laws of the State of New Jersey and having an office address at 525 Boulevard, Kenilworth, New Jersey 07033, USA (hereinafter referred to as "**ABL**" or the **"Acquisition Target"**)

AND:

THE SHAREHOLDERS OF ABL signing this Amendment.

WHEREAS:

A. NVG and ABL entered into the Definitive Acquisition and Share Exchange Agreement dated for reference March 22, 2018 (the **"DASE-Agr"**).

B. Pursuant to the DASE-Agr, the consideration for the 100% ownership interest of ABL and including ABL's wholly owned subsidiary Pro-Thotics Technology, Inc. was 400,000,000 common shares of NVG at a deemed price of $0.10 per common share to be issued to the shareholders of ABL

C. The Parties wish to amend the DASE-Agr by changing the consideration for the 100% ownership interest of ABL and including ABL's wholly owned subsidiary Pro-Thotics Technology, Inc. from 400,000,000 common shares of NVG at a deemed price of $0.10 per share to 280,000,000 common shares of NVG at a deemed price of $0.1429 per share.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The terms not defined in this Amendment shall have the meaning provided in the DASE-Agr.

2. The text of Section 2.1 of the DASE-Agr shall be deleted and replaced with the following text:

   "__Share Exchange__. On the Effective Date, the Selling Shareholders of ABL, shall transfer to NVG as the Resulting Issuer an aggregate of 100% (one hundred percent) of all securities of ABL in exchange for 280,000,000 (two hundred and eighty million) common shares of NVG at a deemed price of $0.1429 per share (the "Acquisition Consideration").

3. ABL and its shareholders instruct NVG to issue the 280,000,000 common shares of NVG as follows:

Name of Shareholder	Country of Residence	Number of Shares
Globall Solutions LLC	USA	130,700,000
National Brace Inc.	USA	130,700,000
[redacted]	South Africa	14,000,000
[redacted]	USA	4,600,000
	Total	280,000,000

4. ABL and its shareholders consent to the disclosure of their personal information to the Canadian Securities Exchange and the regulators in Canada and the United States of America in accordance with the applicable policies of the CSE and the applicable rules, laws and regulations in the United States of America and in Canada.

5. ABL and its shareholders residing in the United States of America acknowledge and agree that the NVG shares will have the following restrictive legends placed on them in accordance with the securities laws of the United States of America:

   "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (B)

OR (C) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [FOUR MONTHS AND ONE DAY FROM THE DATE OF THE ISSUANCE]""

6. ABL and its shareholders agree that the following restrictive legend will be placed on the shares to be issued the shareholder residing outside of the United States of America in accordance with the Canadian securities laws:

   "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [FOUR MONTHS AND ONE DAY FROM THE DATE OF THE ISSUANCE]"

7. In all other respects the DASE-Agr shall continue in full force and effect. The recitals shall form an integral part of this Amendment.

8. This Amendment shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9. This Amendment may be executed in any number of counterparts and delivered by facsimile or email in a portable document format with the same effect as if all Parties to this Amendment had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile or portable document format signature shall be taken as an original.

IN WITNESS WHEREOF the Parties hereto have duly executed this Amendment as of the date first above written.

NASS VALLEY GATEWAY LTD.

Per: *"Dieter Peter"*

Name: Dieter Peter

Title: Presisdent & CEO

ADVANCED BIOCEUTICALS LIMITED

Per: *"John Affenita"*

Name: John Affenita

Title: CEO

GLOBAL1 SOLUTIONS LLC

Per: *"Gregory Vax"*

Name: Gregory Vax

Title: President

[redacted]

NATIONAL BRACE INC.

Per: *"Michael Racaniello"*

Name: Michael Racaniello

Title: President

[redacted]

EXHIBIT D2

DEFINITIONS TO THE DASE-AGR.

Exhibit "A1.0"

Definitions and Interpretation

to the

Definitive Acquisition and Share Exchange Agreement ("DASE-Agr")

between:

Nass Valley Gateway Ltd. and Advanced Bioceuticals Limited

dated for reference purposes March 22, 2018

The following terms, as used herein, have the following meanings:

() "ABL" or "Target-Company" means Advanced Bioceuticals Limited, a New Jersey Limited Liability company, with company registration number 0450237249 that upon completion of the Transaction will become a wholly owned subsidiary of NVG, including its subsidiaries. ABL has presently 200 shares issued and outstanding which are free from all owned by Selling Shareholders

() "ABL-Business" means the for many year well established business of ABL including ist subsidiaries consisting of the sale of Durable Medical Equipment (DME) and Cannabidiol (CBD) with zero THC content.

() "Acquisition-Consideration" means the total consideration for the acquisition of all issued and outstanding shares of ABL paid by NVG with Shares-NVG to be issued to Selling-Shareholders proportional to their respective shareholdings in ABL as referred to within Exhibit "B2.0".

() "Acquisition-Proposal" shall mean any proposal for a merger or other business combination involving the Company or for the acquisition of a substantial equity interest in it or any material assets of it other than as contemplated by Subparagraph 7.1 (e) of this Agreement.

() "Additional Agreements" means any Additional Agreements and in any certificate delivered by ABL and/or NVG as referred to in Sections 3.3; 5.2; 5.11, 7.1; 8.1(d); 8.2(b), (f); 8.3(b); 9.1; 9.2; 10.1; 11.2(a); and 12.9; of the DASE-Agr.

() "Action" means any legal action, suit, claim, investigation, hearing or proceeding, including any audit, claim or assessment for taxes or otherwise.

() "Acquisition Target" or "ABL" means Advanced Bioceuticals Limited, a New Jersey Limited Liability Company, with company registration number 0450237249 (Target Company) that upon completion will become a wholly owned subsidiary of NVG, including its subsidiaries.

() "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

() "Amended Articles of Incorporation of ABL " means the Amended and Restated Articles of Incorporation of NVG or ABL, in the form attached hereto as Exhibit B.

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() **"Articles of Target Company"** means the Articles of Incorporation of Advanced Bioceuticals Limited, in the form attached hereto as Exhibit C.

() **"BoD-ABL"** means the Board of Directors of ABL.

() **"BoD-NVG"** means the Board of Directors of NVG.

() **"BoD-Parent"** means the Board of Directors of the Resulting issuer.

() **"Books and Records"** means all books and records, ledgers, employee records, customer lists, files, correspondence, and other records of every kind (whether written, electronic, or otherwise embodied) owned or used by a Person or in which a Person's assets, the business or its transactions are otherwise reflected, other than stock books and minute books.

() **"Business"** is defined in the Recitals.

() "Business-Day" means any day other than a Saturday, Sunday, or a legal holiday on which commercial banking institutions in New York are authorized to close for business.

() **"CBD"** means Cannabidiol which does not have any psychoactive effects such as those caused by tetrahydrocannabinol (THC)..............

() "Closing" means the execution of the DASE-Agr and its Exhibits including all corporate resolutions for the treasury orders to effect legal exchange for the Acquisition-Consideration between the Parties as contemplated within the DASE-Agr, referred to in Section 2.3.

() **"Closing Date"** is defined in Section 2.3.

() **"Commission"** means the Securities and Exchange Commission within the Canadian Provinces of British Columbia and Ontario and any other country or state were the securities of NVG or the Resulting Issuer are listed or co-listed for trading.

() **"Contracts"** means all contracts, agreements, leases (including equipment leases, car leases and capital leases), licenses, commitments, client contracts, statements of work (SOWs), sales and purchase orders and similar instruments, oral or written, to which any of the Companies is a party or by which any of its respective assets are bound, and all rights and benefits thereunder, including all rights and benefits thereunder with respect to all cash and other property of third parties under any of ABL's dominion or Control.

() **"Control"** of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise." Controlled", "Controlling" and "under common Control with" have correlative meanings.

() **"CSE"** means the Canadian Securities Exchange located in Toronto, Ontario, as the primary, fully regulated Stock Exchange were the Shares-NVG are listed for trading.

() **"DASE-Agr" or this "Agreement"** means the Definitive Acquisition and Share Exchange Agreement beteen NVG and ABL.

() **"Environmental Laws"** shall mean all Laws that prohibit, regulate, or control any Hazardous Material or any Hazardous Material Activity, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability of the Regulatory Authorities of the Country the Resulting Issuer or any of its subsidiaries operate.

() **"DME"** means the sale of Durable Medical Equipment through ABL's acquired wholly owned subsidiary which engaged in selling for over 25 years state-of-the-art product which include orthotic, prosthetic and wound-care devices, treatment of neuro-muscular disorders, sports rehabilitation bracing, spinal orthotics and custom-made footwear.

() "Effective-Date" means the fifth (5^{th}) Banking-Day after NVG received Regulatory Approval as referred to in subparagraph 3.50 of this DASE-Agr.

() "Execution-Date-DAP-Agr" means the last date the DASE-Agr has been executed by the signatories of the Parties.

() "Existing Employee Agreement" is defined in Section 3.17(a).

() "Financial Statements" is referred to and defined in Section 3.7(a) and (b) respectively.

() "Hazardous Material" shall mean any material, emission, chemical, substance or waste that has been designated by any Regulating Authority in which the Parties operate to be radioactive, toxic, hazardous, a pollutant or a contaminant.

() "Hazardous Materials Activity" shall mean the transportation, transfer, recycling, storage, use, treatment, manufacture, removal, remediation, release, exposure of others to, sale, labeling, or distribution of any Hazardous Material or any product or waste containing a Hazardous Material, or product manufactured with ozone depleting substances, including, without limitation, any required labeling, payment of waste fees or charges (including so-called e-waste fees) and compliance with any recycling, product take-back or product content requirements.

() "IFRS" means International Financial Reporting Standards (IFRS), the financial reporting language of the global capital markets and now required or permitted in 147 countries around the world including Canada Europe.

() "Indebtedness" means with respect to any Person, (a) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind (including amounts by reason of overdrafts and amounts owed by reason of letter of credit reimbursement agreements) including with respect thereto, all interests, fees and costs, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person, (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than accounts payable to creditors for goods and services incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or security interest on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (f) all obligations of such Person under leases required to be accounted for as capital leases under U.S. GAAP, (g) all guarantees by such Person and (h) any agreement to incur any of the same.

() "Indemnification Notice" is defined in Section 10.2(a).

() "Indemnified Party" is defined in Section 10.1.

() "Intellectual Property Right" means the intellectual property, confidential information, and proprietary information, owned, licensed, used or held for use by a Person, including, but not limited to (a) any and all trademarks, logos, logotypes, and/or service marks, including, but not limited to, any and all common law and statutory rights therein and therefor, and further including any and all registrations thereof and applications for registration therefor, and all goodwill of the business associated therewith; (b) any and all corporate names, Internet domain names, and/or trade names, including, but not limited to, any and all common law and statutory rights therein and therefor, and further including any and all registrations thereof and applications for registration therefor; (c) any and all know-how, trade secrets, confidential business information, and other proprietary information, including without limitation, lists of customers and suppliers and potential customers and suppliers, pricing and cost information, business and marketing plans and proposals, processes, techniques, designs, research and development information, technical information, specifications, discoveries, notes, reports, drawings, works, devices, makes, models, works-in-progress, and creations, and any and all work product therefor, including, but not limited to, any and all common law and statutory rights therein and therefor; (d) any and all patents and patent applications (including all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof) and patent disclosures and inventions (whether or not patentable and whether or not reduced to practice); (e) any and all copyrights, including, but not limited to, any and all common law and statutory rights therein and therefor, and further including any and all copyright registrations thereof and applications for registration of copyright therefor; (f) any and all computer programs, including operating systems, applications, routines, interface and algorithms, whether in source code or object code; (g) databases and all information contained therein; and (h) all proprietary rights relating to any of the foregoing, including, but not limited to, all causes of action, damages and remedies related thereto.

() "Labor Agreements" is defined in Section 3.17(a).

() "Law" means any domestic or foreign, federal, state, municipality or local law, statute, ordinance, code, rule, or regulation.

() "Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, and any conditional sale or voting agreement or proxy, including any agreement to give any of the foregoing.

() "Material Adverse Effect" or "Material Adverse Change" means a material adverse change or a material adverse effect, individually or in the aggregate, on the condition (financial or otherwise), prospects, net worth, management, earnings, cash flows, business, operations or properties of ABL and the Businesses, taken as a whole, whether or not arising from transactions in the ordinary course of business.

() "Material Contracts" means the contracts, agreements and understanding listed on Exhibit "B4.3".

() "NVG" or "Parent-Company" means Nass Valley Gateway Ltd, Canadian public company with its common shares trading on the CSE as referred to more detail in the Preamble of the DASE-Agr.

() "Order" means any decree, order, judgment, writ, award, injunction, rule or consent of or by a Regulatory-Authority.

() "Parent-Company" or "NVG" means Nass Valley Gateway Ltd, Canadian public company with its common shares trading on the CSE as referred to more detail in the Preamble of the DASE-Agr.

() "Permitted Liens" means (i) all defects, exceptions, restrictions, easements, rights of way and encumbrances disclosed in policies of title insurance which have been made available to Parent; and (ii) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the ordinary course of business for amounts (A) that are not delinquent, (B) that are not material to the business, operations and financial condition of

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the Company so encumbered, either individually or in the aggregate, (C) not resulting from a breach, default or violation by any of the Parties of any Contract or Law, and (D) the Liens set forth on Exhibit "A.4.1" and Exhibit "B4,1".

() "Person" means an individual, corporation, partnership (including a general partnership, limited partnership, or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

() "Registered Intellectual Property" is defined in Section 3.15.

() "Regulatory Authorities" means "any governmental, regulatory, or administrative body, agency or authority, any court or judicial authority, any arbitrator, or any public, private or industry regulatory authority, whether International, national, Federal, State, Provincial, local including Stock Exchanges and relevant Securities Commissions of the countries under which laws and regulations ABL, NVG including the Resulting Issued are governed.

() "Regulatory-Approval" means the final approval of thr Transaction by the CSE.

() "Resulting Issuer" or "Parent Company" means NVG as the resulting public company subsequent to the approval of the Transaction including NVG's possible change of name.

() "Securities-NVG" means Shares-NVG and/or Warrants issued by NVG.

() "Securities-Units" means securities Units or issued and outstanding ordinary or common shares of ABL or Target Company which will be exchanged for Shares-NVG under the terms and conditions of the DASE-Agr, subsequent to the approval of the Transaction.

() "Selling Shareholders" means the current owners of ABL which are listed in Exhibit "B2.0" and more specifically referred to under Article II of the DASE-Agr.

() "Selling Shareholders" means the shareholders who collectively own 100% of the issued and outstanding Shares-ABL of the Target Company, all of whom, in including their Beneficiaries, are listed on Exhibit "B2.0" hereto.

() "Shares-ABL" means means the issued and outstanding ordinary or common shares or security Units of ABL or Target Company which will be exchange for Shares-NVG under the term and conditions of the DASE-Agr subsequent to the approval of the Transaction.

() "Shares-NVG" means means the issued and outstanding ordinary or common shares of NVG or Parent Company which are listed for trading on the CSA under the present symbol (NVG) and co-listed on the Frankfurt Stock Exchange under the trading symbol (3NVN).

() "Signing Date" means the reference date for the execution of the DASE-Agr as defined in the Preamble.

() "Subsidiary" means each entity of which at least fifty percent (50%) of the capital stock or other equity or voting securities are Controlled or owned, directly or indirectly, by the NVG, ABL or the Resulting Issuer.

() "Tangible Personal Property" means all tangible personal property and interests therein, including machinery, computers and accessories, furniture, office equipment, communications equipment, automobiles, trucks, forklifts, and other vehicles owned or leased by ABL or any of its Subsidiaries and other tangible property, including the Items listed in Exhibit "B1.3".

() "Target-Company" or "ABL" means Advanced Bioceuticals Limited, a New Jersey Limited Liability company, with company registration number 0450237249 that upon completion of

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the Transaction will become a wholly owned subsidiary of NVG, including its subsidiaries. ABL has presently 200 shares issued and outstanding which are free from all owned by Selling Shareholders

() "Tax(es)" means any federal, state, provincial, local or foreign tax, charge, fee, levy, custom, duty, deficiency, or other assessment of any kind or nature imposed by any Taxing Authority (including any income (net or gross), gross receipts, profits, windfall profit, sales, use, goods and services, ad valorem, franchise, license, withholding, employment, social security, workers compensation, unemployment compensation, employment, payroll, transfer, excise, import, real property, personal property, intangible property, occupancy, recording, minimum, alternative minimum, environmental or estimated tax), including any liability therefor as a transferee (including under Section 6901 of the Code or similar provision of applicable Law of the Country the Resulting Issuer is operating) or successor, as a result of Treasury Regulation Section 1.1502-6 or similar provision of applicable Law or as a result of any Tax sharing, indemnification or similar agreement, together with any interest, penalty, additions to tax or additional amount imposed with respect thereto.

() "Taxing Authority" means the Internal Revenue Service and any other Regulatory-Authority responsible for the collection, assessment or imposition of any Tax or the administration of any Law relating to any Tax.

() "Tax Return" means any return, information return, declaration, claim for refund or credit, report or any similar statement, and any amendment thereto, including any attached exhibits and supporting information, whether on a separate, consolidated, combined, unitary or other basis, that is filed or required to be filed with any Taxing Authority in connection with the determination, assessment, collection or payment of a Tax or the administration of any Law relating to any Tax

() "THC" means Tetrahydrocannabinol, which is the principal psychoactive constituent of cannabis and is the main mind-altering ingredient found in the Cannabis plant.

() "Transaction" means the execution of this DASE-Agr including the approval of the CSE and fulfilling of any terms and conditions under the DASE-Agr. And as referred to and defined in the preamble.

() "U.S. GAAP" means U.S. generally accepted accounting principles, consistently applied within the USA.

() "Warrants" means transferable share purchase warrants issued by NVG which give its holder the right to acquire a Shares-NVG at the predetermined exercise price during an assigned exercise period as listed in Exhibit A2.1, within Table 1.00 ("NVG Share Distribution Table").

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