

**AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)**

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
As at June 30, 2018**

Condensed Interim Financial Statements

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited, in Canadian dollars)

	Notes	June 30, 2018 \$	September 30, 2017 \$
ASSETS			
Current			
Cash and cash equivalents		1,751	1,068
Cash held in trust		37,500	-
Sales taxes receivable		14,239	2,608
Other receivable		-	5,133
Prepaid expenses		-	1,300
		<u>53,490</u>	<u>10,109</u>
Non-current			
Exploration and evaluation assets	5	-	90,000
		<u>-</u>	<u>90,000</u>
Total assets		<u>53,490</u>	<u>100,109</u>
LIABILITIES			
Current			
Trade and other payables		172,508	20,864
Dues to an officer, without interest and repayment schedule		-	282
Due to a company		37,500	-
		<u>210,008</u>	<u>21,146</u>
Total liabilities		<u>210,008</u>	<u>21,146</u>
EQUITY (DEFICIENCY)			
Share Capital		6,034,332	6,034,332
Contributed surplus	6	5,146,104	5,145,840
Deficit		<u>(11,336,954)</u>	<u>(11,101,209)</u>
Total equity (deficiency)		<u>(156,518)</u>	<u>78,963</u>
Total liabilities and equity (deficiency)		<u>53,490</u>	<u>100,109</u>

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorized for publication by the Board of Directors on August 29, 2018.

On the behalf of the Board,

(s) Daniel Cohen
 Chief Executive Officer

(s) Keith Li
 Chief Financial Officer

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(unaudited, in Canadian dollars)

	Notes	Three-months ended June, 30		Nine-months ended June, 30	
		2018 \$	2017 \$	2018 \$	2017 \$
EXPENSES					
Transaction fees		12,299	-	62,395	-
Professional fees		9,746	9,354	54,660	72,182
Shareholders' relations		7,978	10,992	22,340	23,900
Trustees and registration fees		1,300	2,600	3,900	3,900
Travel expenses		-	-	2,042	587
Share-based payments	6	-	311	264	3,139
Bank charges		31	168	123	583
Office expenses		-	-	21	-
Taxes and permits		-	86	-	86
Impairment of exploration and evaluation assets	5	90,000	-	90,000	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		<u>(121,354)</u>	<u>(23,511)</u>	<u>(235,745)</u>	<u>(104,377)</u>
LOSS PER SHARE					
Basic and diluted loss per share		<u>(0.03)</u>	<u>(0.01)</u>	<u>(0.06)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding		<u>3,961,584</u>	<u>3,730,156</u>	<u>3,961,584</u>	<u>3,182,444</u>

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

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

	Notes	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity (deficiency) \$
Balance at October 1, 2017		3,961,584	6,034,332	-	5,145,840	(11,101,209)	78,963
Share-based payments	6	-	-	-	264	-	264
Net loss and comprehensive loss for the period		-	-	-	-	(235,745)	(235,745)
Balance at June 30, 2018		<u>3,961,584</u>	<u>6,034,332</u>	<u>-</u>	<u>5,146,104</u>	<u>(11,336,954)</u>	<u>(156,518)</u>
	Notes	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance at October 1, 2016		2,908,588	5,876,382	123,000	5,019,387	(10,976,221)	42,548
Share-based payments	6	-	-	-	3,139	-	3,139
Units issued through private placement		1,052,996	157,949	-	-	-	157,949
Issuance cost of units		-	-	-	-	(9,889)	(9,889)
Expiry of warrants		-	-	(123,000)	123,000	-	-
Net loss and comprehensive loss for the period		-	-	-	-	(104,377)	(104,377)
Balance at June 30, 2017		<u>3,961,584</u>	<u>6,034,331</u>	<u>-</u>	<u>5,145,526</u>	<u>(11,090,487)</u>	<u>89,370</u>

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

	Notes	Three-months ended		Nine-months ended	
		June 30,		June 30,	
		2018	2017	2018	2017
		\$	\$	\$	\$
OPERATING ACTIVITIES					
Loss before income taxes		(121,354)	(23,511)	(235,745)	(104,377)
Adjustments for:					
Share-based payments - directors	6	-	311	264	3,139
Impairment of exploration and evaluation assets	5	90,000	-	90,000	-
Changes in working capital items					
Cash held in trust		(37,500)	1,905	(37,500)	(3,345)
Taxes receivable		(12,581)	5,660	(11,631)	3,109
Other receivable		-	-	5,133	-
Mining tax credits receivable		-	4,620	-	4,620
Prepaid expenses		5,000	2,600	1,300	(1,300)
Trade and other payables		37,455	(60,801)	151,644	(10,132)
Cash flows used by operating activities		<u>(38,980)</u>	<u>(69,216)</u>	<u>(36,535)</u>	<u>(108,286)</u>
FINANCING ACTIVITIES					
Issuance of units		-	157,949	-	157,949
Due to a director and officer		(282)	(61,294)	(282)	(30,000)
Due to a company		37,500	-	37,500	-
Shares to be issued		-	(5,250)	-	-
Issuance costs		-	(9,889)	-	(9,889)
Cash flows from financing activities		<u>37,218</u>	<u>81,516</u>	<u>37,218</u>	<u>118,060</u>
Net change in cash		(1,762)	12,300	683	9,774
Cash, beginning of period		<u>3,513</u>	<u>10,058</u>	<u>1,068</u>	<u>12,584</u>
Cash, end of period		<u><u>1,751</u></u>	<u><u>22,358</u></u>	<u><u>1,751</u></u>	<u><u>22,358</u></u>

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

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

1. INCORPORATION AND NATURE OF OPERATIONS

The Company is incorporated under the Canada Business Corporations Act. Its head office is located at 77 King Street West, Suite 2905, Toronto, Ontario, Canada. The Company's shares are listed on the TSX Venture Exchange.

Aura Health Inc. (formerly Lamêlée Iron Ore Ltd an exploration Company with activities in Canada) (the «Company») operates marijuana health clinics in the United States. See Note 9, Post Reporting Date Event, for further information concerning the change of nature of operations.

The Company's financial year ends on September 30.

2. GOING CONCERN

These financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets accounted for at fair value through profit and loss.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, it has neither yet generated income nor cash flows from its operations. As at June 30, 2018, the Company has a deficit of \$11,336,954 (September 30, 2017 – \$11,101,209). This material uncertainty may cast a significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

3. BASIS OF PREPARATION AND ADOPTIONS OF IFRS

The Company's condensed interim financial statements have been prepared based on International Financial Reporting Standards (IFRS) in accordance with IAS 34 standard, Interim Financial Reporting. The condensed interim financial statements are presented in Canadian currency which is also the functional currency of the Company. The functional currency has remained unchanged during the reporting period.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended September 30, 2017, as they follow the same accounting policies and methods of application.

The condensed interim financial statements for the reporting period ended June 30, 2018 (including comparatives) were approved and authorized for issue by the Board of Directors on August 29, 2018.

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are presented in the audited financial statements for the year ended September 30, 2017 and have not been modified since that time.

5. EXPLORATION AND EVALUATION ASSETS

The carrying amount can be analyzed as follows:

	Balance as at October 1 st , 2017	Additions	Impairment	Balance as at June 30, 2018
	\$	\$	\$	\$
Quebec				
Meston Lake West Property				
Mining rights	90,000	-	(90,000)	-
Exploration and evaluation	-	-	-	-
	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>

All impairment charges (or reversals, if any) are included within Impairment of non-financial assets in profit or loss.

Meston Lake West Property

On May 16, 2016, the Company acquired the rights, titles and interests in 36 mining claims of the property located 50 km of the town of Chibougamau. In counterpart, the Company issued 450,000 common shares at the price of \$0.20 per share for a total amount of \$90,000 and will have to pay a royalty of \$50,000 (commitment not fulfilled) as at June 30, 2018. During the quarter, the property was impaired because no further exploration and evaluation expenditures in the area were planned or budgeted. Furthermore, the claims were not renewed subsequent to the quarter.

AURA HEALTH INC.
(Formerly Lamêlée Iron Ore Ltd.)
Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

6. SHARE-BASED PAYMENTS

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing services to the Company. Under this plan, options to purchase the common shares from time-to-time may be granted for a variable number whereby the number should never represent more than 10% of the issued and outstanding capital stock of the Company. Exercise price of options equals the market price of the Company's stock on the date of grant. Stock options are exercisable over a three-year period: 33% after 12 months, 24 months and 36 months respectively from the date of grant for a maximum term of ten years. Among the options outstanding, none is subject to an escrow agreement.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

An amount of \$264 (\$3,139 in 2017) of the share-based payments was recorded in earnings as share-based payments and credited to contributed surplus.

The Company's share options are as follows for the reporting periods presented:

<i>Administration</i>	June 30, 2018		September 30, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	92,500	2.53	125,000	2.51
Cancelled	-	-	(32,500)	2.46
Outstanding, end of period	<u>92,500</u>	2.53	<u>92,500</u>	2.53
Exercisable, end of period	<u>92,500</u>	2.53	<u>86,667</u>	2.64

AURA HEALTH INC.
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Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

6. SHARE-BASED PAYMENTS (Continued)

The table below summarizes the information related to share options as at June 30, 2018:

	<u>Outstanding options and exercisable</u>		
	<u>Number of options</u>	<u>Exercise price</u> \$	<u>Remaining life (years)</u>
<i>Administration</i>	17,500	1.00	6.49
	12,500	2.80	5.63
	<u>62,500</u>	2.90	5.52
	<u><u>92,500</u></u>		

7. WARRANTS

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	<u>June 30, 2018</u>		<u>September 30, 2017</u>	
	<u>Number of warrants</u>	<u>Weighted average exercise price</u> \$	<u>Number of warrants</u>	<u>Weighted average exercise price</u> \$
Balance at beginning	1,052,996	0.20	76,875	3.00
Granted	-	-	1,052,996	0.20
Expired	-	-	<u>(76,875)</u>	3.00
Balance at end	<u>1,052,996</u>	0.20	<u>1,052,996</u>	0.20

Outstanding warrants are as follows:

		<u>June 30, 2018</u>	<u>September 30, 2017</u>
<u>Expiry date</u>	<u>Exercise price</u> \$	<u>Number</u>	<u>Number</u>
April 21, 2020	0.20	<u>1,052,996</u>	<u>1,052,996</u>

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Notes to Condensed Interim Financial Statements (unaudited, in Canadian dollars)
For the nine-month period ended June 30, 2018 and 2017

8. RELATED PARTY TRANSACTIONS

The Company's related parties include its key officers and the companies of the key officers such as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

8.1 Transactions with key officers

The Company's related parties include its key officers and the companies controlled by key officers such as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash except for share-based payments.

8.2 Transactions with a company controlled with key officers

	2018	2017
	\$	\$
Transaction fees	18,000	-
Share-based payments	264	2,828

The Company incurred respectively \$5,740 and \$42,396 (\$21,480 and \$nil in 2017) as professional fees and transaction fees to a law firm of which a director of the Company is an employee. As at June 30, 2018, an amount owing to this firm of \$61,283 (\$28,134 in 2017) is included in trade and other payables.

9. POST REPORTING DATE EVENT

On August 9, 2018, the Company completed its previously announced reverse take-over transaction (the "RTO Transaction") with Aura Health Corp. ("Aura"). Aura is a Toronto based company that has investments in four operating medical marijuana patient assessment clinics in Arizona, Nevada and Florida.

Aura completed the RTO Transaction with the Company, providing for the acquisition by the Company of all of the issued and outstanding common shares of Aura, whereby the shareholders of Aura will hold a majority of the outstanding common shares of the Resulting Issuer. Pursuant to the Securities Exchange Agreement, all Aura shares were exchanged for common shares of the Company. In connection with the RTO Transaction, the Company completed a continuance from the Canada Business Corporations Act to the Business Corporations Act (Ontario). Concurrent with the closing of the RTO Transaction, the Resulting Issuer is continuing on with the business of Aura and changed its name to Aura Health Inc.

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For the nine-month period ended June 30, 2018 and 2017

9. POST REPORTING DATE EVENT (Continued)

Aura Financing

Immediately prior to the completion of the RTO Transaction, Aura completed a non-brokered private placement (the "**Aura Financing**") for gross proceeds of \$1.13 million of 2,301,873 units of Aura which upon completion of the RTO Transaction were collectively exchanged for an aggregate of 2,301,873 units of the Company (each a "**Replacement Unit**"), at a deemed price of \$0.49 per Replacement Unit, with each Replacement Unit comprised of one common share of the Company and one common share purchase warrant (a "**Replacement Warrant**"). Each Replacement Warrant is exercisable to purchase one common share of the Company at \$0.75 per share for a period of 24 months following completion of the RTO Transaction.

In addition, Aura paid five registered dealers who acted as finders in the Aura Financing (the "**Finders**") a cash finders' fee equal to 8% of the gross proceeds from the Aura financing to subscribers introduced by the Finders and issued a total of 78,015 finder options (the "**Finder Options**") which upon completion of the RTO Transaction were collectively exchanged for an aggregate of 78,015 finder options of the Company (the "**Replacement Finder Options**"), each entitling the holder to purchase one Replacement Unit at a price of \$0.49 per Replacement Unit for a period of 24 months following completion of the RTO Transaction.

Issuance of Securities in the RTO Transaction

Aura shareholders who held Aura shares prior to completion of the Aura Financing (including (i) holders of Aura Series A convertible debentures which were automatically converted into an aggregate of 816,327 Aura shares and 408,164 Aura warrants; and (ii) a financial advisor to Aura who was issued 300,000 Aura shares at \$0.49 per share in satisfaction of a financial advisory fee of \$147,000) (the "**Original Aura Shareholders**") received a total of 17,746,327 common shares with a deemed value of \$0.49 per share as consideration for transferring their Aura Shares to the Company. The subscribers in the Aura Financing received 2,301,873 common shares at a deemed value of \$0.49 per share. All Aura's convertible securities outstanding immediately prior to the closing of the RTO were replaced by convertible securities of the Company with similar terms.

In addition, the Company issued 300,000 common shares to a finder of the Company (the "**LIR Finder**") at \$0.49 per share, which shares are subject to a resale hold period expiring December 10, 2018.

Capitalization

On a non-diluted basis, upon completion of the RTO Transaction, the Company had a total of 24,309,784 common shares outstanding, of which 3,961,584 (16.30%) were held by existing shareholders of the Company, 17,746,327 (73.00%) were held by the Original Aura Shareholders, 2,301,873 (9.47%) were held by subscribers in the Aura Financing, and 300,000 (1.23%) were held by the LIR Finder.

On a fully-diluted basis, upon completion of the RTO Transaction, the Company had a total of 40,353,960 common shares outstanding, of which 85,107,080 (12.66%) were held by existing security holders of the Company, 30,187,104 (74.81%) were held by the Original Aura Shareholders, 4,759,776 (11.80%) were held by subscribers and Finders in the Aura Financing, and 300,000 (0.74%) were held by the LIR Finder.

The total deemed transaction value for Aura in the RTO Transaction was approximately \$9.82 million.