Amended and Restated

EVITRADE Health Systems Corp.

Consolidated Financial Statements

(Audited)

For the Years Ended June 30, 2017 (Restated) and 2016 (Restated)

(Expressed in Canadian dollars)

EVITRADE Health Systems Corp.
Index to Consolidated Financial Statements
June 30, 2017

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
EVITRADE HEALTH SYSTEMS CORP.

We have audited the accompanying consolidated financial statements of Evitrade Health Systems Corp., which comprise the consolidated statements of financial position as at June 30, 2017 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended and 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 consolidated financial statements in accordance with International Financial Reporting Standards, 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 the auditor's 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, the auditor considers 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 company'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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Evitrade Health Systems Corp. as at June 30, 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter
The consolidated financial statements of the Company as at June 30, 2016 and for the year then ended were audited by another auditor who expressed an unmodified opinion on these consolidated financial statements on November 20, 2017.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
November 21, 2017

EVITRADE Health Systems Corp.
Consolidated Statement of Financial Positions
As at
(Expressed in Canadian dollars)

	Note	June 30, 2017 (Restated) $	June 30, 2016 (Restated) $
Assets			
Cash & cash equivalents		**1,498**	3,875
Accounts receivable (Note 5)	5	**38,027**	91,385
Marketable securities	17	**1**	—
Prepaid expenses		**2,866**	27,686
Total Current Assets		**42,392**	122,946
Deposits	18	**6,000**	2,000
Intangible properties	6, 13	**—**	4,859,748
Total Assets		**48,392**	4,984,694
Liabilities			
Accounts payable	7, 13	**11,575**	17,696
Accrued liabilities	13	**213,669**	21,000
Interest payable	10	**182,470**	30,294
Loans payable	10	**1,486,143**	896,477
Management fees payable	13	**90,000**	—
Preferred shares	8, 17	**6,000**	2,000
Convertible debt	10	**1,490,761**	—
Total Current Liabilities		**3,480,618**	967,467
Convertible debt	10	**—**	1,459,568
Total Liabilities		**3,480,618**	2,427,035
Shareholders' Equity (Deficit)			
Equity portion of convertible debt		**47,125**	47,125
Share capital	9, 17	**13,109,106**	2,195,606
Contributed Surplus		**795,454**	742,383
Deficit		**(17,383,911)**	(427,455)
Total Shareholders' Equity (Deficit)		**(3,432,226)**	2,557,659
Total Liabilities and Shareholders' Equity (Deficit)		**48,392**	4,984,694

2016 Restatement (Note 4)
Commitments (Note 16)
Plans of Arrangement (Note 18)

The accompanying notes are an integral part of these Consolidated Financial Statements

Approved and authorized for issue by the Board of Directors on November 21, 2017:

"Sydney Au"	*"Ron Ozols"*
Sydney Au, Director	Ron Ozols, Director

EVITRADE Health Systems Corp.
Consolidated Statement of Loss and Comprehensive Loss
For the Years Ended
(Expressed in Canadian dollars)

	Note	**June 30, 2017 $**	**June 30, 2016 (Restated) $**
Operating Expenses			
Advertising & Promotion		**—**	237
Bank charges		**931**	647
Brokerage services		**730,000**	—
Consulting fees		**128,169**	24,000
Finance charges	10	**183,369**	36,080
Interest expense		**253**	76,052
License & taxes		**3,254**	6,630
Listing expenses		**18,610**	7,408
Management fees		**90,000**	—
Office & miscellaneous		**930**	12,579
Professional fees		**7,967**	19,031
Rent		**19,466**	7,500
Share-based compensation		**66,570**	69,424
Travel		**3,383**	2,470
Transfer agent & filing fees		**10,560**	21,336
Loss before other items		**(1,263,462)**	(283,394)
Other Items:			
Other income		**9,524**	77,869
Debt conversion expense	4	**—**	(150,000)
Gain on conversion of debt		**—**	10,250
Gain on spinout of subsidiary	17	**284,900**	—
Impairment of intangible properties	6	**(16,810,748)**	—
Write down of investment		**(7,964,000)**	—
Loss on sale of debt	10	**(974,997)**	—
Loss and comprehensive loss from continued operations		**(26,718,783)**	(345,275)
Loss and comprehensive loss from discontinued operations		**(10,217,509)**	—
Net loss and total comprehensive income loss		**(36,936,292)**	(345,275)
Loss per common share – basic		**$ (4.03)**	$ (0.003)
Loss per common share - diluted		**$ (2.68)**	$ (0.003)
Weighted average number of common shares outstanding		**9,161,361**	106,471,339
Fully diluted number of common shares outstanding		**13,774,557**	106,471,339

The accompanying notes are an integral part of these Consolidated Financial Statements

EVITRADE Health Systems Corp.
Consolidated Statement of Changes in Shareholders' Equity (Deficit)
June 30, 2017
(Expressed in Canadian dollars except the number of shares)

	Note	Number of Outstanding Shares	Share Capital $	Equity Portion of Convertible Debts $	Contributed Surplus $	Income (Deficit) $	Total Shareholders' Equity $
Balance, June 30, 2015		**7,025,285**	**2,056,553**	**-**	**592,762**	**(82,180)**	**2,567,135**
Shares issued for cash		86,667	27,300		37,700	-	65,000
Shares issued for debt	13	123,333	46,965	-	45,535	-	92,500
Shares issued for services	13	10,000	3,788	-	3,712	-	7,500
Equity portion of convertible debt		-	-	47,125	-	-	47,125
Exercise of warrants for cash		13,333	22,000		(2,000)	-	20,000
Exercise of warrants for settlement of debt		31,667	42,000	-	(4,750)	-	37,250
Share issuance costs		-	(3,000)	-	-	-	(3,000)
Share-based compensation		-	-	-	69,424	-	69,424
Net loss and comprehensive loss for the year		-	-	-	-	(345,275)	(345,275)
Restated Balance, June 30, 2016		**7,290,285**	**2,195,606**	**47,125**	**742,383**	**(427,455)**	**2,557,659**
Share rounding on 15:1 concolidation		(20)	-	-	-	-	-
Common shares issued to acquire IP		500,000	875,000	-	-	-	875,000
Issue convertible preferred shares for 2017 Plan of Arrangement		-	(5,000)	-	-	-	(5,000)
Exercise of warrants for settlement of debt	10,13	100,000	163,500	-	(13,500)	-	150,000
Shares issued for broker services		500,000	730,000	-	-	-	730,000
Common shares issued to acquire IP for subsidiary		50,000	144,000	-	-	-	144,000
Common shares issued to acquire IP		3,450,000	9,936,000	-	-	-	9,936,000
Shares issued to acquire 2554191 Ontario, Inc.	17	3,500,000	10,990,000	-	-	-	10,990,000
Common shares cancelled in subsidiary spinout	18	(15,390,265)	-	-	-	-	-
New common shares issued in subsidiary spinout		15,390,265	-	-	-	-	-
Derecognition of subsidiary share capital and shares issued to acquire to deficit	17	-	(920,000)	-	-	7,965,000	7,045,000
Shares issued to acquire subsidiary	17	-	(10,990,000)	-	-	10,990,000	-
Deconsolidation of subsidiaries	17	-	-	-	-	1,024,836	1,024,836
Securities acquired in spinout	17	-	-	-	1	-	1
SBC for 2016 stock options		-	-	-	66,570	-	66,570
Purchase of common shares to treasury	9	-	(10,000)	-	-	-	(10,000)
Net loss and comprehensive loss for the year		-	-	-	-	(36,936,292)	(36,936,292)
Balance, June 30, 2017		**15,390,265**	**13,109,106**	**47,125**	**795,454**	**(17,383,911)**	**(3,432,226)**

The accompanying notes are an integral part of these Consolidated Financial Statements

EVITRADE Health Systems Corp.
Consolidated Statement of Cash Flows
June 30, 2017
(Expressed in Canadian dollars except the number of shares)

	Year Ended June 30, 2017 $	Year Ended June 30, 2016 (Restated) $
Cash Flows from Operating Activities		
Net loss and comprehensive loss	**(36,936,292)**	(345,276)
Adjustments for non-cash items:		
Gain on conversion of debt	**—**	(10,250)
Gain on spin-out of subsidiaries	**(284,900)**	—
Impairment of intangible properties	**16,810,748**	—
Share-based compensation	**66,570**	69,424
Interest expense	**—**	76,039
Finance charges on convertible debt	**31,193**	186,080
Share-based payments for services	**730,000**	7,500
Loss on forgiveness of debt	**974,997**	—
Write down of investment	**7,964,000**	—
Foreign exchange loss	**259**	204
Change in non-cash working capital items:		
Accounts receivable	**(32,313)**	(3,485)
Prepaid expenses	**24,820**	(27,686)
Accounts payable	**(6,121)**	(18,904)
Accrued liabilities	**(10,500)**	8,000
Interest payable	**152,176**	30,294
Management fees payable	**90,000**	—
Cash used in continued operating activities	**(10,425,363)**	(218,060)
Cash provided by discontinued operating activities	**10,438,739**	—
Cash used in operating activities	**13,376**	(218,060)
Cash Flows from Investing Activities		
Cash acquired in acquisition of subsidiary	**503,768**	—
Cash transferred upon spin-out of subsidiary	**(460,488)**	—
Intangible properties	**(855,160)**	(778,475)
Cash used in continued investing activities	**(811,880)**	(778,475)
Cash used by discontinued investing activities	**(43,280)**	—
Cash used in investing activities	**(855,160)**	(778,475)
Cash Flows from Financing Activities		
Proceeds on loans payable	**1,507,439**	399,080
Repayment of loans payable	**(778,032)**	(162,277)
Proceeds on issuance of convertible debt	**—**	674,697
Contributed surplus	**—**	34,662
Proceeds on issuance of common shares	**—**	47,338
Cash provided by continued financing activities	**729,407**	953,500
Cash provided by discontinued financing activities	**110,000**	—
Cash used in investing activities	**839,407**	993,500
Net decrease in cash and cash equivalents	**(2,377)**	(3,035)
Cash and cash equivalents, beginning of year	**3,875**	6,910
Cash and cash equivalents, end of year	**1,498**	3,875
Supplemental information:		
Interest paid	**—**	—
Income taxes paid	**—**	—
Non-cash Activities (Note 14)		

The accompanying notes are an integral part of these Consolidated Financial Statements

1. NATURE OF OPERATIONS:

EVITRADE Health Systems Corp. (formerly Auxellence Health Corporation) (the "Company" or "EVITRADE") was incorporated on November 9, 2011 under the laws of British Columbia, Canada. The Company's office and mailing address is #168 – 11280 Twigg Place, Richmond, BC V6V 0A6. EVITRADE is a technology company offering Automated Biomedical Care online for common health problems. The Company has developed a platform for electro-physiologically interactive computing that supports therapeutic-diagnostic along with multiple online software applications that are to be used for personal health management.

The Company's shares are listed on Canadian Securities Exchange ("CSE") under the symbol "AID" and the OTC Markets Group Inc.'s marketplace under ("OTCQB: AXHLF").

On September 16, 2016, the Company announced and affected a name change to Evitrade Health Systems Corp. and share trading symbol to EVA on the Canadian Securities Exchange (CSE) on September 19, 2016. In conjunction with the name and symbol change, the Company announced and consolidated its common shares 15:1 with a September 21, 2016 record date.

These audited consolidated financial statements (hereinafter "financial statements") of the Company for the year ended June 30, 2017 have been prepared by management and reviewed and authorized for publication by the Board of Directors on November 20, 2017. The financial statements are made available to shareholders and other stakeholders through the System for Electronic Document Analysis and Retrieval ("SEDAR").

2. BASIS OF PRESENTATION:

a. Statement of compliance -

These financial statements for the year ended June 30, 2017 were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are described in the Note 3. Significant accounting estimates, judgments and assumptions have been used or exercised by management in the preparation of these financial statements.

b. Going concern basis of presentation -

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and have the ability to realize its assets and discharge its liabilities in the normal course of business. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption, which may require management to reassess the financial viability of the Company as a going concern.

The Company's licensed proprietary medical device and systems may take several years to reach successful commercialization and require a minimum of $2.5 million in additional investment to complete, if ever, that may result in positive operating revenues and profitability. As of June 30, 2017, the Company has take full impairment and write-down on its intellectual property to $nil; recording a loss on impairment of $16,810,748 for the year ended June 30, 2017.

2. BASIS OF PRESENTATION: (Continued)

b. Going concern basis of presentation - (Continued)

As a Company in early development stage, management does not anticipate generating operating revenues for several years, other than incidental revenue. At June 30, 2017, the Company had not yet achieved profitable operations, had recurring losses, a deficit of $17,383,911 (2016: $427,455 (restated)). At June 30, 2017, the Company had $9,524 non-related income from work performed in relation to a plan of arrangement, not from core business operations. The Company expects to incur further losses in the development of its business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These audited 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 as a going concern. Such adjustments could be material in natural.

c. Principles of consolidation -

These consolidated financial statements include the assets, liabilities and results of operations for several newly formed and inactive numbered companies that are wholly-owned entities in relation to the Company's 2017 Plan of Arrangement.

All inter-company balances, transactions and unrealized profits are eliminated on consolidation.

d. Basis of measurement -

These consolidated financial statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value.

e. Functional and presentation currency -

All monetary references expressed in these notes are references to Canadian dollar amounts ("$").

f. Reclassification of prior year amounts –

Certain prior year financial figures have been reclassified for consistency in financial reporting with the current fiscal year ended June 30, 2017.

2. BASIS OF PRESENTATION: (Continued)

g. Significant accounting judgments and estimates -

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Ability to continue as a going concern -

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

(ii) Share-based compensation expense -

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are, or could be, affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of sshare-based compensation expense. Refer to Note 7 for further details.

(iii) Impairment of financial assets -

The carrying value and the recoverability of intangible properties, which are included in the statements of financial position. The recoverability of intangible property is evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s intangible asset.

2. BASIS OF PRESENTATION: (Continued)

g. Significant accounting judgments and estimates - (continued)

(iii) Impairment of financial assets - (continued)

External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its intangible asset. Internal sources of information the Company considers include the manner in which intangible asset are being used or are expected to be used and indications of economic performance of the assets.

(iv) Income taxes -

The Company operates in the United States and Canada and is subject to multiple tax jurisdictions, and consequently, income is subject to various rates and rules of taxation. As a result, the Company's effective tax rate may vary significantly from the Canadian statutory tax rate depending upon the profitability of operations in a different jurisdiction. The Company calculates deferred income taxes based upon temporary differences between the assets and liabilities that are reported in its consolidated financial statements and their tax bases as determined under applicable tax legislation. The future realization of deferred tax assets can be affected by many factors, including: current and future economic conditions, net realizable sale prices, and can either be increased or decreased where, in the view of management, such change is warranted. In determining whether a deferred tax asset is probable, management reviews the timing of expected reversals of taxable temporary differences, the estimates of future taxable income and prudent and feasible tax planning that could be implemented. Refer to Note 15 for further details.

3. SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies set out below are in effect for the years ended June 30, 2017 and 2016 and have been applied consistently to all periods presented in these financial statements.

a. Cash and cash equivalents -

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less.

b. Shared-based payments -

The fair value of any options granted is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. There are currently no options outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

c. Deferred income taxes -

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

d. Financial instruments -

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The initial measurement of financial assets and liabilities is fair value and their subsequent measurement is dependent on their classification as described below. Classification of a financial instrument depends on the purpose for which it was acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Asset / Liability	**Classification**	**Subsequent measurement**
Cash and cash equivalents	Fair value through profit or loss	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Marketable securities	Securities	Fair Value
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost
Convertible debt	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost
Note payable	Other financial liabilities	Amortized cost
Preferred shares	Other financial liabilities	Amortized cost

Financial assets or financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets typically acquired for resale prior to maturity or that are designated as held-for-trading. They are measured at fair value at the period end date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

b. Financial instruments - (continued)

Financial assets or financial liabilities at fair value through profit or loss (continued)

Financial liabilities at fair value through profit or loss are those non-derivative financial liabilities that the Company elects to designate on initial recognition as financial instruments that it will measure at fair value. These are accounted for in the same manner as financial assets at fair value through profit or loss. The Company has not designated any non-derivative financial liabilities as financial liabilities at fair value through profit or loss.

Refer to compound financial instruments note below for details on measurement of option component of convertible debt and derivatives.

Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity, other than loans and receivables that an entity has the positive intention and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or financial assets or financial liabilities at fair value through profit or loss investments. Except as mentioned below, available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized or deemed to be an other than temporary impairment when the cumulative loss is transferred to profit or loss.

Available-for-sale financial assets that do not have quoted market prices in an active market are recorded at cost.

Interest on interest-bearing available-for-sale financial assets is calculated using the effective interest method.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other financial liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

g. Financial instruments - (continued)

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debt that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of compound financial instruments is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component, if any, is recognized initially at the difference between the fair value of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of compound financial instruments is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not measured again subsequent to initial recognition. Interest, dividends, losses and gains relating to financial liabilities are recognized in profit or loss.

Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Marketable Securities

Equity securities included in marketable securities are recoded at a nominal value of $1 given they have not begun trading as of June 30, 2017 with no verifiable market. Realized gains and losses on the sale of securities are based on the average cost of all the units of a particular security held at the time of sale.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

e. Impairment of financial assets -

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale (AFS) equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

f. Impairment of non-financial assets -

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis.

If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

f. Impairment of non-financial assets - (continued)

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

Non-financial assets that have suffered an impairment are tested for a possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. In these instances, the impairment loss is reversed to the recoverable amount but not beyond the carrying amount, net of amortization, that would have arisen if the prior impairment loss had not been recognized. Goodwill impairments are not reversed.

g. Share capital -

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

h. Comprehensive loss -

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholder and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholder's equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

i. Loss per share -

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

j. 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 resources 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 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. The increase in the obligation due to the passage of time is recognized as finance expense. 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.

k. Research and development costs -

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred. During the period ended June 30, 2017 and 2016, $nil was incurred or expensed on research activities.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized if, and only if, it has demonstrated all of the following:

- development costs can be measures reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources to complete development and to use or sell the asset

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

k. Research and development costs – (continued)

Upon a determination that the criteria to capitalize development expenditures have been met, the expenditures capitalized will include the cost of materials, direct labour, contracting, consulting, professional fees, administration and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures are expensed as incurred. Capitalized development expenditures will be measured at cost less accumulated amortization and accumulated impairment losses.

l. Intangible Assets -

The Company owns intangible assets consisting of licensed patent rights and development costs. Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in research and development expenses.

Amortization is recognized in profit or loss on a straight line basis over the useful lives of intangible assets from the date they are available for use. The Company recognized the payments made to Decanex as development costs and amortization of the development costs is recognized over their useful lives, on the straight line basis over 10 years, commencing upon commercialization. Therefore, there has been no amortization to date.

n. New standards and interpretations not yet applied -

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt this standard when it becomes effective. The following pronouncements are being assessed to determine its impact on the Company's results and financial position:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

n. New standards and interpretations not yet applied – (continued)

The following pronouncements are being assessed to determine its impact on the Company's results and financial position: (continued)

(Expressed in Canadian dollars)

- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.
- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

4. CORRECTION OF PRIOR PUBLISHED FINANCIAL STATEMENTS:

During fiscal 2016, the Company entered into a debt settlement agreement whereby the Company issued a convertible note for an outstanding account payable balance of $150,000 owing to Decanex, Inc.; responsible for the development of the Company's intangible asset. Management has restated its consolidated financial statements herein to reflect this modification in terms under its General Services Agreement that constitutes a debt conversion expense for the extinguishment of a financial liability under paragraph IAS 39.40.

The audited consolidated financial statements for the year ended June 30, 2016 have therefore been restated to reflect the aforementioned financing charge and remove the intangible asset of date with specific financial statement line adjustments as follows:

Consolidated Statement of Financial Position
As at June 30, 2016

	SEDAR Filed $	Adjustments $	**Restated** **$**
Intangible Assets	5,009,748	(150,000)	**4,859,748**
Shareholders' Equity:			
Retained Earnings (Deficit)	(277,455)	(150,000)	**(427,455)**

(Expressed in Canadian dollars)

4. CORRECTION OF PRIOR PUBLISHED FINANCIAL STATEMENTS: (continued):

Consolidated Statement of Loss and Comprehensive Loss
For the Year Ended June 30, 2016

	SEDAR Filed $	Adjustments $	**Restated** **$**
Comprehensive income:			
Debt conversion expense	—	(150,000)	**(150,000)**
Net Loss and Comprehensive Loss	**(195,275)**	**(150,000)**	**(345,275)**

Consolidated Statement of Changes in Shareholders' Equity (Deficit)
As at June 30, 2016

	SEDAR Filed $	Adjustments $	**Restated** **$**
Net loss and comprehensive loss	(195,275)	(150,000)	**(345,275)**

Consolidated Statement of Cash Flows
As at June 30, 2016

	SEDAR Filed $	Adjustments $	**Restated** **$**
Net loss and comprehensive loss	(195,275)	(150,000)	**(345,275)**
Cash used in operating activities	(68,060)	(150,000)	**(218,060)**
Investing activities	(928,475)	150,000	**(778,475)**

5. ACCOUNTS RECEIVABLE:

	June 30, 2017 **$**	June 30, 2016 $
Accounts receivables from related parties (Note 13)	**—**	87,367
Accounts receivable	**460**	—
Government remittances recoverable	**37,567**	4,018
Total Accounts Receviable	**38,027**	91,385

(Expressed in Canadian dollars)

6. INTANGIBLE ASSETS:

Cost and Carrying Amounts

	Patents $	Acquisitions $	Impairment $	Development Costs $	Total $
Balance, July 1, 2014	-	-	-	2,047,432	2,047,432
Additions	400,000	-	-	1,140,000	1,540,000
Balance, June 30, 2015	400,000	-	-	3,187,432	3,587,432
Additions	-	-	-	1,272,316	1,272,316
Balance, June 30, 2016	400,000	-	-	4,459,748	4,859,748
Additions	**-**	**10,811,000**	**-**	**1,140,000**	**11,951,000**
Impairment write-downs	**-**	**-**	**(16,810,748)**	**-**	**(16,810,748)**
Balance, June 30, 2017	**400,000**	**10,811,000**	**(16,810,748)**	**5,599,748**	**—**

In 2015, the Company acquired the patents to the TULIP™ and related technologies from Decanex Inc. through the issuance of 40,000,000 common shares to the principal of Decanex Inc. (see also Notes 9 and 13).

In February 2016, the licensing, development, collaboration, marketing and general service agreement with Decanex Inc. was extended by an additional five years (see Note 13). The Company is currently renegotiating its GSA with Decanex, Inc. Amortization will commence upon commercialization. Therefore, there has been no amortization to date. The Company determined there was significant impairment on its intellectual properties and as a result it recorded 100% valuation allowance write-down of all R&D at June 30, 2017.

On December 16, 2016, the Company signed an Asset Purchase Agreement to acquire intellectual property complementary to the TULIP™ technologies. The Company issued 500,000 common shares with a fair market value of $875,000 or $1.75 per share. The IP was subsequently determined to be impaired along with other intangible assets of the Company and full impairment and write-down of $875,000 was record at June 30, 2017.

On April 3, 2017, the Company signed an Asset Purchase Agreement to acquire VoiceofHeart™ intellectual property complementary to the TULIP™ technologies. The Company issued 3,450,000 common shares with a fair market value of $9,936,000 or $2.88 per share. The IP was subsequently determined to be impaired along with other intangible assets of the Company and full impairment and write-down of $9,936,000 was record at June 30, 2017.

On April 3, 2017, the Company issued 50,000 common shares with a fair market value of $2.88 per share or $144,000 to acquire industrial hemp related intellectual property for its wholly-owned subsidiary C&C Cosmeceuticals. C&C subsequently determined the IP was impaired and wrote it off in April 2017. The impairment was classified as part of discontinued operations (Note 19).

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE:

As at

	June 30, 2017 $	June 30, 2016 $
Accounts payable	**11,574**	3,999
Advances payable to related parties (Note 13)	**-**	13,697
	11,574	17,696

8. REDEEMABLE PREFERED SHARES:

(a) Authorized - Unlimited Class A prefered shares
(b) Issued

	June 30, 2017		June 30, 2016	
	Shares	**Amount, $**	Shares	Amount, $
Class A preferred shares				
Balance, beginning of year	**21,188,842**	**2,000**	21,188,842	-
Issued – Plan of Arrangement	**38,951,325**	**5,000**	-	4,000
Redeemed	**(7,790,265)**	**(1,000)**	-	(2,000)
Balance, end of year	**52,349,902**	**6,000**	21,188,842	2,000

The Class A prefered shares, with an average redemption price of $0.000115 each for a total value of $6,000, are non-voting, non-participating and are mandatorily redeemable by the Company in accordance with the Plans of Arrangement. As at June 30, 2017, 52,349,902 (2016: 21,188,842) convertible Series A preferred shares were outstanding and will be redeemed once the spinout transactions are completed under the 2014 and 2017 Plans of Arrangement. (See Note 17)

9. SHARE CAPITAL:

a. Authorized: unlimited Common shares without par value; and
unlimited Preferred shares without par value.

b. Issued and Outstanding:

Common shares – 15,386,932 (2016: 7,290,285) issued and outstanding as of June 30, 2017, excluding 3,333 common shares bought into treasury.

Reserved for issuance – 4,613,196 as of June 30, 2017.

On September 19, 2016, In conjunction with the name and symbol change, the Company announced and consolidated its common shares 15:1 with a September 21, 2016 record date.

On December 16, 2016, the Company signed an Asset Purchase Agreement to acquire intellectual property complementary to the TULIP™ technologies. The Company issued 500,000 common shares with a fair market value of $875,000 or $1.75 per share.

On March 22, 2017, the Company issued 500,000 common shares with a fair market value of $730,000 or $1.46 per share to a broker for financial advisory services.

(Expressed in Canadian dollars)

9. SHARE CAPITAL: (continued)

On March 23, 2017, the Company issued 100,000 common shares for the exercise of warrants at $1.50 per warrant for total consideration of $150,000 paid through settlement of debt.

On April 3, 2017, the Company issued 50,000 common shares with a fair market value of $2.88 per share or $144,000 to acquire industrial hemp related intellectual property for its wholly-owned subsidiary C&C Cosmeceuticals. C&C subsequently determined the IP was impaired and wrote it off in April 2017. The Company issued 3,450,000 common shares with a fair market value of $2.88 per share or $9,936,000 to acquire VoiceofHeart™ and related intellectual property to compliment the TULIP™ IP. The Company subsequently determined the IP was impaired along with the TULIP™ IP and recorded a full impairment write-down for the year end June 30, 2017.

On April 28, 2017, the Company issued 3,500,000 common shares with a fair market value of $3.14 per share or $10,990,000 for the acquisition of 2554191 Ontario, Inc. by the Company's wholly-owned subsidiary C&C. (see Note 17)

Share purchase warrants

As of June 30, 2017, the following warrants were outstanding and exercisable:

Number of Warrants Outstanding	***Exercise Price***	***Expiry Date***	***Number of Common Shares Issuable***
100,000	*$ 1.50*	*August 17, 2017*	*100,000*
206,667	*$ 1.50*	*August 29, 2017*	*206,667*
551,000	*$ 1.50*	*August 29, 2019*	*551,000*
530,773	*$ 1.50*	*September 1, 2019*	*530,773*
86,667	*$ 1.50*	*March 16, 2021*	*86,667*
133,333	*$ 1.50*	*April 7, 2021*	*133,333*
1,608,440			*1,608,440*

A summary of the Company's issued and outstanding warrants as at June 30, 2017, 2016, and 2015 and changes during those years is presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, June 30, 2015	1,533,440	1.50
Granted	220,000	1.50
Exercised	(45,000)	(1.50)
Balance, June 30, 2016	1,708,440	$ 1.50
Granted	**—**	**—**
Exercised	**(100,000)**	**(1.50)**
Balance, June 30, 2017	**1,608,440**	**$ 1.50**

(Expressed in Canadian dollars)

9. SHARE CAPITAL: (continued)

The fair value of warrants issued during the year were determined using the Black-Scholes Option Pricing Model with assumptions as follows:

	2017	2016
Weighted average risk-free interest rate	—	*1.34 %*
Weighted average estimated volatility	—	*252.06 %*
Weighted average expected life	—	*3.65 years*
Weighted average expected dividend yield	—	*- %*

A total of $13,500 for share based compensation in regard to warrants exercised in 2017 was transferred from contributed surplus and to share capital.

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As of June 30, 2017, there were no stock options were outstanding and exercisable with all of the following options being cancelled in fiscal 2017:

Number of Options	*Exercise Price per Share*	*Expiry Date*
16,667	*$ 0.75*	*May 13, 2018*
58,333	*$ 1.50*	*May 13, 2018*
29,167	*$ 2.25*	*May 13, 2019*
29,167	*$ 3.00*	*May 13, 2019*
133,334		

A summary of the status of the Company's stock options as at June 30, 2017, 2016, and 2015 and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price
Balance, June 30, 2015	—	—
Granted (i)	133,334	$ 1.95
Balance, June 30, 2016	133,334	$ 1.95
Cancelled (ii)	**(133,334)**	**($ 1.95)**
Balance, June 30, 2017	**—**	**—**

All $0.75 and $1.50 options were cancelled in November 2016 and all remaining options cancelled in February 2017.

(Expressed in Canadian dollars)

9. SHARE CAPITAL: (continued)

Stock Options (continued)

(i) On May 13, 2016, the Company granted 2,000,000 stock options at exercise prices between 0.75 to $3.00 (adjusted for 15:1 consolidation) to certain officers, directors, and consultants of the Company, with a vesting date of August 13, 2016. 1,125,000 stock options were exercisable on or before May 13, 2018. 875,000 stock options were exercisable on or before May 13, 2019.

The fair value of stock options charged to operation in fiscal 2016 as share-based compensation for was determined to be $89,780 using the Black-Scholes option pricing model using the current assumptions of risk-free interest rate of 1.34%, expected life of 2-3 years, forfeiture rate – 0%, expected volatility of 252.06% and a dividend rate of 0%.

$66,570 of share-based compensation was charged to operations in fiscal 2017 for stock options vested using the Black-Scholes optiong pricing model using the current assumptions of risk-free interest rate of 0.54%, expected life of 1.75 – 2.75 years, forfeiture rate – 0%, expected volatility of 371% - 407%, and a dividend rate of 0%.

(ii) On February 23, 2017, officers and directors agreed to cancel all of their outstanding stock options.

There are no stock options outstanding having either expired or been cancelled per note (ii).

10. DEBTS:

Balance, June 30, 2015	-
Issuance of 18 month convertible debenture (ii)	800,318
Issuance of 18 month convertible debenture (iii)	653,464
Accretion capitalized	5,786
Balance, June 30, 2016	$1,459,568
Accretion capitalized	**31,193**
Balance, June 30, 2017	**$1,490,761**

a. Convertible debentures

i. Eighteen month convertible debt: On February 19, 2016 the Company issued $827,681 of convertible debt to Decanex, Inc. as a part of debt settlement agreement. The debt matures eighteen months from the date of issuance and maybe converted by the debtholder into common shares of the company at a price of CDN $0.75 per common share. Interest is payable on this debt at an annual rate equal to ten percent (10%), compounded on an annual basis.

(Expressed in Canadian dollars)

10. DEBTS: (continued)

No finders fees or commissions were paid in connection with this debt offering. A related party subscribed for the full amount of the convertible debt.

An equity component of the debt, $25,892, has been reduced from the carrying value of the convertible debt at inception and recorded in shareholders' equity. The equity component of this debt was initially measured using the residual value method and is not re-measured at each reporting period. During the year ended June 30, 2017, the carrying value of this convertible debt has been further accreted by $17,517 up to $823,621 (2016: $806,104) and the Company recorded finance charges of $101,286.

iii. Eighteen month convertible debt: During the year, Sydney Au, CEO and Director, loaned the Company $674,697 that is non-interest bearing and has not terms of repayment. On June 30, 2016, the Company signed a $674,697 convertible debt agreement with Mr. Au that has a term of 18 months, bears interest at 10% per annum compounded annually, and has a conversion feature of $0.75 per common share. Mr. Au may, within the specified time period, convert his debt at his sole discretion.

An equity component of the debt, $21,233, has been reduced from the carrying value of the convertible debt at inception and recorded in shareholders' equity. The equity component of this debt was initially measured using the residual value method and is not re-measured at each reporting period. During the year ended June 30, 2016, the carrying value of this convertible debt is 667,140 (2016: $653,464) with $13,676 (2016: $nil) accreted and $82,083 recorded as finance charges.

Total interest payable of $182,470 (2016: 30,294) is due on the convertible notes as at June 30, 2017.

iv. During fiscal 2016, the Company entered into a debt settlement agreement whereby the Company issued a convertible note for an outstanding account payable balance of $150,000 owing to Decanex, Inc.; responsible for the development of the Company's intangible asset. Management has restated its consolidated financial statements for the year ended June 30, 2016 herein to reflect this modification in terms under its General Services Agreement that constitutes an extinguishment of a financial liability under paragraph IAS 39.40. (see Note 4)

b. Unsecured loans:

	Balance, June 30, 2015 $	**Debt Conversion $**	**Loan Repayments $**	**Loan Proceeds $**	**Balance, June 30, 2016 $**
Amounts owing to third parties (i)	727,000	(130,000)	(17,000)	61,205	641,205
Amounts owing to related parties (ii)	80,500	(50,000)	(145,277)	370,049	255,272
Total	**807,500**	**(180,000)**	**(162,277)**	**431,254**	**896,477**

(Expressed in Canadian dollars)

10. DEBTS: (continued)

b. Unsecured loans (continued)

	Balance, June 30, 2016 $	Debt Conversion $	Loan Repayments $	Loan Proceeds $	Balance, June 30, 2017 $
Amounts owing to third parties (i)	641,205	(150,000)	(45,400)	528,798	**974,862**
Amounts owing to related parties (ii)	255,272	—	(732,632)	988,900	**525,486**
Total	**896,477**	**(150,000)**	**(778,032)**	**1,517,698**	**1,486,143**

(i) Amounts owing to third parties are non interest bearing with no specific terms of repayment.

(ii) Amounts owing to related parties are non interest bearing with no specific terms of Repayment (Note 13).

On February 17, 2017, the Company entered into a loan agreement with 255ON whereby 255ON agreed to loan the Company $250,000, due upon demand without interest and full secured as first-priority over all present and future property of the Company. On March 21, 2017, the Company into another loan agreement with 255ON for $150,000 that is non-interest bearing, due on demand, and secured as the February 17, 2017 loan. The security agreement was discharged on October 12, 2017, as mutually agreed with 255ON subsequent to the spinout with C&C. (Note 17). Of the 255ON loans payable, $231,500 were assigned to Eviana, Inc. and the balance of $228,500 was forgiven as part of the debt forgiveness agreement on May 15, 2017.

On June 22, 2017, the Company signed debt purchase agreements with three non-related parties to sell a total of $975,000 in loans receivable from C&C Cosmeceuticals Corp. (former subsidiary of the Company) for $3 each that resulted in a loss on sale of debt of $974,997.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT:

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk, and currency risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a. *Capital management*

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT: (continued)

a. *Capital management (continued)*

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary health monitoring/therapeutic systems and the identification and evaluation of potential acquisitions.

To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

b. *Credit risk*

The Company's credit risk was primarily attributable to bank balances, GST/HST receivable and loan receivable. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. GST/HST receivable is due from Canadian Government and management believes that the credit risk to be minimal. Loan receivable is due from Haltain which has been repaid to the Company subsequent to the year end.

c. *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at June 30, 2017, the Company had a cash balance of $1,498 (2016: $3,875) and accounts payable and accrued liabilities of $225,244 (2016: $38,696). All of the Company's financial liabilities have or are treated with maturities of less than one year, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt, loan extensions, or equity financing to meet the Company short term and long term cash requirement. The Company has a working capital deficit of $3,438,226 (2016: $844,521).

d. *Interest rate risk*

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

12. FAIR VALUE:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements on a recurring basis by within the fair value hierarchy. The Company does not have any non-recurring fair value measurements. Measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(Expressed in Canadian dollars)

12. FAIR VALUE: (continued)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2017 and 2016:

	June 30, 2017		June 30, 2016	
	Level 1	**Level 2**	Level 1	Level 2
Financial assets at fair value through profit or loss	**$**	**$**	$	$
Cash and cash equivalents	**1,498**	**1,498**	3,035	-

The methods of measuring each of these financial assets and liabilities have not changed during the past year. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (Level 3). The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

13. RELATED PARTY TRANSACTIONS:

During the fiscal year ended June 30, 2017, the following related party transactions occurred:

(a) Key management personnel compensation:
  i. Included in management fees is $90,000 (2016: $nil) for compensation payable to Sydney Au, CEO and Director for fiscal 2017;
  ii. Included in share-based compensation is $33,263 (2016: $22,207) related to the fair value of options vested in fiscal 2017 to officers and directors.

(b) Ron Ozols, Director, was repaid demand loans of $42,715 by the Company during fiscal 2017.

(c) Sydney Au, CEO and Director, loaned the Company $988,079 and was repaid for demand loans of $708,212.

(d) The Company accrued interest payable of $68,407 owing to Sydney Au, CEO and Director for his convertible note payable. (Note 10)

(e) The Company accrued interest payable of $83,769 owing to Decanex, Inc. for its convertible note payable. Decanex is controlled and operated by a major shareholder of the Company. (Note 10)

(f) The Company was loaned $562 for miscellaneous operating expenses by a family member of a major shareholder of the Company.

(g) On May 15, 2017, the Company entered into a debt forgiveness agreement with its subsidiary C&C and 255ON to forgive a total of $9,253,200 owed to the Company by C&C offset by 255ON forgiving $228,500 in notes receivable due from the Company, recorded in in the subsidiaries as gain and loss on forgiveness of debt, respectively, and eliminated on consolidation.

(h) On May 24, 2017, the Company disposed of its wholly-owned subsidiaries C&C and 2554191 Ontario through its 2017 Plan of Arrangement. The Company also received marketable securities with a nominal value of $1 through the spin-out. (Notes 17 and 18)

(i) The Company has recorded $199,169 in accrued liabilities due to Decanex, Inc., the Company's operator under its General Services Agreement for services fees due.

These transactions above are in the normal course of operations and are measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

(Expressed in Canadian dollars)

14. NON-CASH ACTIVITIES:

a) See Note 9 for details of non-cash share transactions in fiscal 2017.

b) On March 23, 2017, a debt holder converted $150,000 of debt for the exercise of 100,000 warrants at $1.50 per share.

c) On May 15, 2017, the Company received $1,136,000 in intangibles related to TULIP™ in exchange for $1,136,000 in loans payable to its subsidiary C&C in conjunction with planned transactions for the spin-out of C&C that closed on May 24, 2017. The $1,136,000 in loans payable was forgiveness purusuant to a debt forgiveness agreement between the Company and its subsidiaries. All TULIP™ IP was written off due to impairment at June 30, 2017.

15. INCOME TAXES:

The Company has accumulated non-capital losses expire as follows (tax attributes are subject to revision and potential adjustment by tax authorities):

YEAR	$
2032	305,534
2033	798,008
2034	1,040,896
2035	1,530,647
2036	345,275
2037	36,936,292

A reconciliation of income taxes at statutory rates is as follows:	**June 30, 2017 $**	June 30, 2016 $
Loss before income taxes	**(36,936,292)**	(345,275)
Expected income tax (recovery) at 26%	**(9,603,436)**	(89,772)
Tax effects of:		
Non-deductible expenses and other deductions	**2,061,550**	24,841
Prior period adjustment	**—**	—
Change in valuation allowance	**7,541,886**	64,931
Deferred income tax recovery	**—**	—

The significant components of the Company's deferred income tax assets are as follows:

	June 30, 2017 $	June 30, 2016 $
Substantively enacted tax rate	**26%**	26%
Deferred income tax assets:		
Non-capital losses	**11,102,765**	1,499,329
Eligible capital expenditures	**236,991**	14,649
Deferred development costs	**—**	(1,302,534)
Valuation allowance	**(11,339,756)**	(211,444)
Net deferred income tax assets	**—**	—

(Expressed in Canadian dollars)

15. INCOME TAXES: (continued)

Estimated taxable income for the period is $Nil. Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

16. COMMITMENTS:

On February 25, 2016, the Company amended the licensing, development, collaboration, marketing and GSA with Decanex Inc. The agreement requires monthly payments of $95,000 for a term of five years commencing April 2016 for the further research and development of the TULIP™ intangible asset. (Note 6)

Year	Commitments $
2017	1,140,000
2018	1,140,000
2019	1,140,000
2020	855,000

For the year ended June 30, 2017, the Company has $237,340 in service payments overdue under its GSA with Decanex, offset and reduced by a $85,671 receivable from Decanex. The Company is currently renegotiating its GSA terms with Decanex. (Notes 13 and 14)

17. ACQUISITIONS AND DISPOSITIONS:

On April 7, 2017, the Company entered into a Share Exchange Agreement with 2554191 Ontario, Inc. ("255ON"). Pursuant to the agreement, the Company issued 3,500,000 common shares to shareholders of 255ON to acquire 100% ownership as a wholly-owned subsidiary of C&C Cosmeceuticals Corp., a wholly-owned subsidiary of the Company. The fair value of shares issued was $3.14 per share for total transaction value of $10,990,000 that closed on April 28, 2017. The entire acquisition FMV was expensed to transaction costs in the Company's wholly-owned subsidiary C&C in conjunction with the planned going-public transaction through 255ON pursuant to the 2017 Plan of Arrangement. No goodwill was recorded as a result of the planned going-public transaction under the 2017-POA and 255ON being a non-operating holding company. (Notes 10, 18)

Details of net assets acquired with 255ON are as follows:

Cash acquired	$503,768
Notes receivable	460,000
Accrued liabilities	(49,900)
Government remittances receivable	888
Net assets acquired	$914,756

17. ACQUISITIONS AND DISPOSITIONS: (continued)

On May 15, 2017, in regard to the C&C planned spinout transaction, the Company entered into the following agreements:

- C&C IP transfer agreement whereby C&C transferred all of its remaining IP development that was associated with the original Decanex agreement in exchange for a non-secured, non-interest-bearing loan payable from Evitrade in amount of $1,136,000 with no fixed terms of repayment.
- a debt forgiveness agreement with C&C whereby the Company forgave $10,228,200 in debt, excluding $975,000 in non-interest bearing debt due in 18 months (the "Debt").

On May 24, 2017, the Company completed the C&C spinout transaction under the 2017-POA and recorded and gain of $284,900 on net assets derecognized, along with $1 in marketable securities received through the spinout. (Note 18)

18. PLANS OF ARRANGEMENT:

2014 Plan of Arrangement

The Company has two former subsidiaries with outstanding Series A Preferred share conversions and pushout for common shares under the 2014 court approved Plan of Arrangement (2014-POA) as of the date of this statement.

Each transaction represents $1,000 fair value in convertible preferred shares, and related letters of intent for businesses in each former subsidiary company. $506,537 has been recorded as share reserve with offsetting common share capital for pending shares conversions under the 2014-POA. The Company has $2,000 (2016: $2,000) in remaining deposits related to the spin-outs under the 2014-POA as of June 30, 2017.

2017 Plan of Arrangement

In March 2017, the Company filed and received court approval for its 2017 Plan of Arrangement ("2017-POA") for the planned spinout of C&C Cosmeceuticals Corp. ("C&C") and four newly formed subsidiary corporations to facilitate other contemplated spin-out transactions.

On April 7, 2017, the Company entered into a Share Exchange Agreement with 2554191 Ontario, Inc. ("255ON"). Pursuant to the agreement, the Company issued 3,500,000 common shares to shareholders of 255ON to acquire 100% ownership as a wholly-owned subsidiary of C&C Cosmeceuticals Corp., a wholly-owned subsidiary of the Company. The fair value of shares issued was $3.14 per share for total transaction value of $10,990,000 that closed on April 28, 2017.

(Expressed in Canadian dollars)

18. PLANS OF ARRANGEMENT: (continued)

Of the $10,990,000 acquisition FMV, C&C expensed $10,070,009 as transaction costs was expensed in conjunction with the planned going-public transaction through 255ON pursuant to the 2017 Plan of Arrangement with the remaining $919,991 recorded to investment in 255ON.

The Company recorded $5,000 to deposits in regards to convertible preferred share commitment in regards to Series A preferred shares to be exchanged under the 2017-POA for fiscal 2017. A $1,000 deposit was allocated with the C&C spinout on May 24, 2017. The Company has $4,000 (2016: $nil) in remaining deposits related to contemplated spin-outs under the 2017-POA as of June 30, 2017.

On May 24, 2017, the Company completed the spinout of C&C and recorded a gain of $284,900 on net assets and $7,964,000 write down of its investment in C&C, along with derecognition of $302,537 in original share capital when C&C acquired the Company in a reverse-take-over in 2013.
The Company calculated a gain on the C&C spinout transaction is as follows:

FMV of net assets disposed	$(285,900)
Deposit due	1,000
Gain on spinout of C&C	$ 284,900

19. DISCONTINUED OPERATIONS:

As discussed in Notes 17 and 17, pursuant to its 2017 Plan of Arrangement the Company completed the spin-out of C&C Cosmeceuticals Corp., including 2554191 Ontario, Inc., a wholly-owned subsidiary of C&C, on May 24, 2017. The Company has disclosed the assets, pre-tax income and cash flow related to the discontinued operations of C&C and 255ON separately in these financial statements and has similarly reclassified prior year amounts to show the effect of the sale on the Company's financial statements.

No assets were classified as held for sale as the C&C spin-out was pursuant to the Company's January 2017 Plan of Arrangement and contemplation, identification, and completion of the transaction occurred in the same fiscal year with all transaction details and amounts agreed between parties in Q4 of fiscal 2017.

Pre-tax Loss	**June 30, 2017**	**June 30, 2016**
Operating expenses	**3,500**	—
Other items		
Transaction costs	**10,070,009**	—
Impairment of intangible properties	**144,000**	—
Pre-tax loss from discontinued operations	**10,217,509**	—

(Expressed in Canadian dollars)

20. SUBSEQUENT EVENTS:

In August 2017, the following warrants expired:

Number of Warrants Outstanding	*Exercise Price*	*Expiry Date*	*Number of Common Shares Issuable*
100,000	*$ 1.50*	*August 17, 2017*	*100,000*
206,667	*$ 1.50*	*August 29, 2017*	*206,667*

On October 12, 2017, the Company's general security agreement with 2554191 Ontario, Inc. was terminated as mutually agreed in conjunction with May 2015 debt forgiveness and exchange agreements.

As of November 21, 2017, the $827,681 of convertible debt to Decanex, Inc. has not been converted as schedule on August 19, 2017. The Company is currently renegotiating all of its obligations with Decanex, including overdue service payments, the GSA, and conversion of this debt. 1,103,575 common shares are reserved for issuance under this note conversion.