ePlay Digital Inc.
(formerly Network Life Sciences Inc.)

Unaudited Consolidated Interim Financial Statements

For the nine month period ended September 30, 2016

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

ePlay Digital Inc. (formerly Network Life Sciences Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian dollars)

	Note	September 30, 2016	December 31, 2015 (Audited)
		$	$
ASSETS			
Current Assets			
Cash		**117,680**	737
Prepaid expenses		**10,000**	-
		127,680	737
Intangible asset	4	**1**	1
Loans receivable		**165,000**	-
		292,681	**738**
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		**91,586**	909,708
Short term loans	6	**-**	107,486
		91,586	1,017,194
Long-term accounts payable		**622,157**	-
		713,743	1,017,194
SHAREHOLDERS' DEFICIENCY			
Share capital	7	**3,319,557**	2,265,100
Share subscriptions received in advance		**3,371**	-
Reserves	7	**226,980**	221,914
Deficit		**(3,970,970)**	(3,503,470)
		(421,062)	(1,016,456)
		292,681	**738**

Nature of operations and going concern	1
Subsequent events	11

Approved and authorized for issuance by the Board of Directors on November 29, 2016:

Approved on Behalf of the Board of Directors:

/s/ Lynne Kellner
Director

/s/ Trevor Doerksen
Director

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

ePlay Digital Inc. (formerly Network Life Sciences Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian dollars)

		Three Months Ended September 30		**Nine Months Ended September 30**	
		2016	2015	**2016**	2015
		$	$	**$**	$
Expenses					
Consulting fees		**139,441**	23,999	**275,587**	172,130
Development costs		**-**	-	**-**	877,087
Interest expense		**-**	2,819	**2,026**	5,172
Investor relations		**-**	9,375	**262**	11,628
Office and miscellaneous		**694**	101	**1,001**	22,997
Management fees		**-**	-	**26,250**	-
Professional fees		**28,482**	16,083	**95,793**	49,562
Regulatory and transfer fees		**1,785**	3,744	**13,399**	32,440
Stock-based compensation		**-**	221,914	**-**	221,914
Travel		**-**	-	**-**	1,600
Loss before other item		**(170,402)**	(278,035)	**(414,318)**	(1,394,530)
Other item					
Loss on settlement of debts	6	**-**	-	**(53,182)**	-
Net loss and comprehensive loss		**(170,402)**	(278,035)	**(467,500)**	(1,394,530)
Basic and diluted loss per common share		**(0.01)**	(0.05)	**(0.04)**	(0.30)
Weighted average number of common shares outstanding		**19,630,054**	5,367,259	**11,671,378**	4,627,597

ePlay Digital Inc. (formerly Network Life Sciences Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital						
	Number of Shares	Amount	Subscription receivable	Subscription received in advance	Reserves	Accumulated Deficit	Total
		$	$	$	$	$	$
Balance December 31, 2014	**2,400,593**	**100**	**250,000**	**-**	**-**	**(85,824)**	**164,276**
Shares issued for cash	833,333	250,000	(250,000)	-	-	-	-
Shares issued to ROL	1,133,333	340,000	-	-	-	-	340,000
Shares issued for bioLytical	1,000,000	1,600,000	-	-	-	-	1,600,000
Share-based compensation	-	-	-	-	221,914	-	221,914
Loss for the period	-	-	-	-	-	(1,394,530)	(1,394,530)
Balance, September 30, 2015	**5,367,259**	**2,190,100**	**-**	**-**	**221,914**	**(1,480,354)**	**931,660**
Exercise of warrants	100,000	75,000	-	-	-	-	75,000
Loss for the period	-	-	-	-	-	(2,023,116)	(2,023,116)
Balance December 31, 2015	**5,467,259**	**2,265,100**	**-**	**-**	**221,914**	**(3,503,470)**	**(1,016,456)**
Shares issued for cash	10,007,570	801,514	-	-	-	-	801,514
Share issue costs	-	(31,456)	-	-	5,066	-	(26,390)
Shares issued to settle debts	5,687,977	284,399	-	-	-	-	284,399
Share subscriptions received	-	-	-	3,371	-	-	3,371
Loss for the period	-	-	-	-	-	(467,500)	(467,500)
Balance, September 30, 2016	**21,162,806**	**3,319,557**	**-**	**3,371**	**226,980**	**(3,970,970)**	**(421,062)**

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

ePlay Digital Inc. (formerly Network Life Sciences Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian dollars)

	Nine Months Ended September 30	
	2016	2015
	$	$
Operating activities		
Net loss	**(467,500)**	(1,394,530)
Adjustments for non-cash items:		
Accrued interest	**2,026**	5,172
Loss on settlement of debts	**53,182**	-
Stock-based compensation	**-**	221,914
Change in non-cash working capital components:		
Sales tax receivable	**-**	(19,313)
Deposits and prepaid	**(10,000)**	175,000
Inventory	**-**	(5,689)
Accounts payable and accrued liabilities	**(75,381)**	830,483
Due to related party	**-**	47,250
Net cash used in operating activities	**(497,673)**	**(139,713)**
Investing activity		
Loans receivable	**(165,000)**	-
Net cash used in investing activity	**(165,000)**	-
Financing activities		
Shares issued for cash, net	**775,124**	-
Share subscriptions received in advance	**3,371**	-
Short term loans	**1,121**	104,660
Net cash provided by financing activities	**779,616**	104,660
Increase (decrease) in cash	**116,943**	(35,053)
Cash, beginning of period	**737**	35,156
Cash, ending of period	**117,680**	103

Cash paid for interest expense	-	-
Cash paid for income taxes	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERNS

Network Life Sciences Inc. (formerly Network Oncology Inc.) ("NOI", or the "Company"), was incorporated under the Business Corporations Act in British Columbia on September 19, 2013 under the name of Organach Beverage Acquisition Corp. On August 12, 2014, the Company changed its name to Network Oncology Inc. and on June 17, 2015, the name changed to Network Life Sciences Inc. On October 6, 2016, the Company changed its ePlay Digital Inc. in conjunction with its planned change of business (Note 11). The address of the registered office is 302 – 1107 17 Avenue SW, Calgary, Alberta Canada T2C 0B5.

The Company was initially formed as a subsidiary of Web Watcher Systems Ltd. ("Web Watcher") for the purpose of developing the letter of intent with WULU Beverage Co. ("WULU") dated June 27, 2013 to distribute quality organic and fair trade coffees, glacier drinking water, and carbonated water manufactured by WULU. The Company entered into to a Plan of Arrangement (the "Plan of Arrangement") with Web Watcher Systems and WULU dated October 23, 2013. This Letter of Intent was cancelled by WULU on March 21, 2014.

On May 12, 2014, the Company entered into a Supply Agreement Sale and Assignment (the "Acquisition Agreement") with Resolute Oncology Limited ("ROL"), an Ireland company. The Company is in the process of commencing operations as an emerging specialty pharmaceutical company working with ROL's core portfolio of oncology-targeted generic pharmaceuticals, which address a market comprised of up to 50% of new cancer patients in the European Union. The Company intends to focus on the acquisition and commercialization of proven, and thus low-risk, generic pharmaceutical oncology based products that provide a cost effective response to unmet needs in the market, specifically Germany and other major European countries, with possible expansion to the United States.

On June 11, 2015, the Company entered into a license agreement with bioLytical Laboratories, Inc. ("bioLytical") regarding detection of the Ebola virus. See also Note 4.

On August 5, 2016, the Company entered into a letter of intent to acquire PokerVision Media Inc. ("Pokervision") and Mobovivo Inc. ("Mobovivo"). Subject to shareholder approval and target company board approval, the Company plans to issue a total of 20,000,000 common shares and 30,000,000 performance warrants (the "Performance Warrants") to the shareholders of the two target companies.

Vesting terms of Performance Warrants:

Upon receiving a valuation report by a mutually agreeable party which state that the total asset value for the Company is $100 Million or higher, the entire block of 30,000,000 Performance Warrants would become free for execution; or

Upon the Company's cumulative and recurring digital, event and television subscription revenues exceeding $100,000 per month then 30% of the performance warrants are released;
Upon the Company's cumulative and recurring digital, event and television subscription revenues exceeding $200,000 per month then an additional 30% of the performance warrants are released; and
The balance of the performance warrants would be released when the recurring revenues exceed $300,000 per month; or

Upon a successful takeover of the Company, approved by the Board of Directors, all Performance Warrants are released.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At September 30, 2016, the Company had a working capital of $36,094 (December 31, 2015 – deficiency of $1,016,457) and had an accumulated deficit of $3,970,970 (December 31, 2015 - $3,503,470) which has been funded primarily by the issuance of equity and loans from related parties. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to carry out its business plan. If the Company is unable to fund its future plan, its business, financial condition or results of operations could be materially and adversely affected. The success of the Company depends on its ability to profitably penetrate its target market with its new products on a sustainable basis. The Company has never generated revenue, cash flows or profits from operations.

The Company's ability to launch its operations as intended is dependent on its ability to generate revenue and raise capital sufficient to cover its marketing and other costs. All of these factors raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34, Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2015.

These consolidated financial statements are presented in Canadian dollars, which is the Company's reporting and functional currency. The functional currency of the Company's wholly-owned subsidiary Emerald Oncology Limited is the EURO (€). These condensed consolidated interim financial statements are prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss ("FVTPL") as described at Note 3 of the December 31, 2015 audited financial statements, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Emerald Oncology Limited ("Emerald") which was incorporated on September 29, 2014 in the jurisdiction of Ireland. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the Company's the consolidated financial statements. As at September 30, 2016 and December 31, 2015, Emerald was inactive.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed consolidated interim 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position 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) Impairment

At the end of each reporting period, the Company's intangible assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the assets being considered. The amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit of loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

ii) Fair value of financial instruments

Management uses valuation techniques, in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are provided in the notes regarding financial assets and liabilities.

In applying the valuation techniques, management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility may vary from the actual results that would be achieved in an arm's length transaction at the reporting date. The assessment of the timing and extent of impairment of intangible assets involves both significant judgements by management about the current and future prospects for the intangible assets as well as estimates about the factors used to quantify the extent of any impairment that is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates (continued)

iii) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

iv) Acquisition of assets

The assessment of whether the Acquisition Agreement should be accounted and disclosed as an acquisition of assets or acquisition of a business involved significant judgement by management of the Company.

Future changes in accounting policies

The following standard will be effective for annual periods beginning on or after January 1, 2017:

IAS 1 – *Presentation of Financial Statements*
In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 16 – *Property, Plant and Equipment* and IAS 38 – *Intangible Assets*
In May 2014, the IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

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

IFRS 9 – *Financial Instruments*
In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

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

(Expressed in Canadian dollars)

4. INTANGIBLE ASSET

The intangible asset comprises the Supply Agreement with Resolute Oncology Limited ("ROL") and Licensing Agreement with bioLytical Laboratories Inc. ("bioLytical") as follow:

	License Rights acquired from ROL $	License from bioLytical $	Total $
Balance, January 1, 2015			
Acquisitions made for consideration comprising:			
Cash	50,000	307,925	357,925
Share issuances	340,000	1,600,000	1,940,000
Liabilities assumed	177,450	-	177,450
	567,450	1,907,925	2,475,375
Subsequent impairment:			
Impairment of rights	567,449	1,907,925	2,475,375
Cancellation of obligations	-	(307,925)	(307,925)
Impairment	567,449	1,600,000	2,167,449
Balance, December 31, 2015	1	-	1
Balance, September 30, 2016	1	-	1

License and Marketing Rights and Supply Agreement with ROL ("Acquisition Agreement")

On May 12, 2014, the Company entered into an Acquisition Agreement with ROL to acquire certain assets in exchange for $50,000 in cash (paid in April 2014), issuance of 1,000,000 common shares, assuming $177,450 (€130,000) in obligation and the payment of a 3% net sales royalty. The Acquisition Agreement also contained a condition requiring the company to seek continued fund raising as part of the private placement. On July 31, 2014, the Acquisition Agreement was amended to change the closing date to the date that the shares of the Company are approved for trading on the Canadian Stock Exchange and to increase the number of shares to be issued to 1,133,333 common shares (issued in January 2015). The fair value of the common shares issued was determined to be $340,000, or $0.30 per share, based on the closing trade price of the shares at the time of issuance. As at September 30, 2016, of the liabilities assumed of $177,450, the Company still has a balance of $165,319 (€110,000) that remains outstanding, which has been recorded in accounts payable.

The assets acquired by the Company under the Acquisition Agreement comprised the following product license rights:

1. The non-exclusive right to use the dossier and know-how associated with Docetaxel concentrate, to obtain marketing authorizations and to sell Docetaxel based products in certain countries in Europe.

2. The non-exclusive right to use the dossier and know-how associated with Paclitaxel concentrate, to obtain marketing authorizations and to sell Paclitaxel based products in certain countries in Europe.

4. INTANGIBLE ASSET (continued)

License and Marketing Rights and Supply Agreement with ROL ("Acquisition Agreement") (continued)

3. The non-exclusive right to use the dossier and know-how associated with Oxaliplatin concentrate, to obtain marketing authorizations and to sell Oxaliplatin based products in certain countries in Europe.

4. The non-exclusive and non-transferable right to use registration documentation for zoledronic acid 4 mg/5 ml vial to obtain one marketing authorization in Spain, the United Kingdom, Germany, and Italy and two marketing authorizations in France, for the purpose of selling, marketing, and distributing the Zoledronic Acid based products in the territory. The initial term of this agreement is 5 years.

Due to the uncertainty of the future economic benefits of these rights, at December 31, 2015, management determined to write down the intangible assets to $1 in accordance to IAS 38 *Intangible Assets.* However, the Company is still liable for the remaining liabilities assumed from ROL.

During the nine months ended September 30, 2016, the Company incurred $Nil (2015 - $877,087) in development costs for the various rights in the Acquisition Agreement

Licensing Agreement with bioLytical Laboratories Inc.

On June 11, 2015, the Company entered into a twenty year license agreement with bioLytical Laboratories Inc. ("bioLytical") for an exclusive worldwide license to market and sell a rapid Ebola testing kit for a consideration of $307,925 (US$250,000) in cash and the issuance of 1,000,000 common shares (issued in June 2015). The fair value of the common shares issued was determined to be $1,600,000, or $1.60 per share, based on the closing trade price of the shares at the time of issuance. Under the licensing agreement, the Company is also required to pay a royalty payment to bioLytical based on the net sales of the Licensed Product. The Company recorded the license from bioLytical as a finite life intangible asset upon issuing of the shares and recognizing the US $250,000 obligation.

As at December 31, 2015, although the Company had issued the 1,000,000 common shares, the Company did not pay the cash consideration of US$250,000. As a result, bioLytical exercised its right to terminate the licensing agreement on January 9, 2016. The license was fully impaired as at December 31, 2015 and the Company has no further obligation in the cash payment for this license. The Company also recognized the recovery of the obligation related to the license termination.

5. LOANS RECEIVABLE

During the nine months ended September 30, 2016, the Company provided total loans of $165,000 to PokerVision. Subsequent to September 30, 2016, the Company acquired all of the issued and outstanding shares of PokerVision (Note 11). The acquisitions will see the business of the Company change to developing interactive broadcast and live video platforms with a goal of building next generation video and TV networks for sports and eSports.

6. SHORT-TERM LOANS

During the year ended December 31, 2015, the Company entered into three unsecured demand loans by issuing promissory notes for a total of $101,100. During the nine months ended September 30, 2016, the Company received additional $1,121. The loans bear interest at 8% per annum and are due on demand. During the nine months ended September 30, 2016, interest expense in the amount of $2,026 was recorded (2015 - $5,172).

On June 1, 2016, the Company settled the entire outstanding short-term loans in the amount of $110,633, and other trade payables in the amount of $120,584, by issuing a total of 5,687,977 common shares of the Company valued at $284,399, resulting in a loss on settlement of debt of $53,182 (Notes 7 and 10).

7. SHARE CAPITAL

On June 25, 2015, the Company consolidated its outstanding shares on the basis of one (new) post consolidation share for each three (old) pre-consolidation shares. On May 20, 2016, the Company consolidated its outstanding shares on the basis of one (new) post consolidation share for each five (old) pre-consolidation shares. Total shares issued and outstanding post-consolidation was 5,467,278. The outstanding shares, weighted average outstanding shares and loss per share information have been retrospectively adjusted to reflect consolidation. In addition, all share issuances, options and warrant transactions have been retrospectively adjusted to reflect consolidation.

(a) Authorized: unlimited common shares without par value.

(b) Issued and Outstanding:

On January 8, 2015 the Company issued 240,612 common shares under the plan of arrangement between the Company and Web Watcher Systems Ltd. which was approved by the shareholders of Web Watcher Systems Ltd. on December 19, 2013 and the Supreme Court of British Columbia on January 7, 2014.

On January 8, 2015 the Company completed its private placement and issued 833,333 units at $0.30 per unit for proceeds of $250,000, which had been received in 2014. Each unit was comprised of one common share and one common share purchase warrant exercisable at $0.75 per share until January 8, 2016. No value has been allocated to the warrants under the residual method.

On January 8, 2015, the Company issued 1,133,333 common shares in accordance with the Acquisition Agreement with ROL for a value of $340,000 (see also Note 4). Of the 1,133,333 common shares, 166,667 common shares were issued to officers and directors of the Company. The fair value of the common shares was determined at $0.30 per share based on the concurrent private placement mentioned above.

On June 6, 2015, the Company issued 1,000,000 common shares in accordance with the license agreement with bioLytical (Note 4). The fair value of the common shares was determined at $1.60 per share based on the closing trading price of the shares at the time of the issuance a total of $1,600,000.

On October 8, 2015, 100,000 warrants were exercised for proceeds of $75,000.

On June 1, 2016, the Company completed its private placement and issued 8,000,000 units at $0.05 per unit for proceeds of $400,000. Each unit comprised of one common share and one common share purchase warrant exercisable at $0.06 per share until June 1, 2017. No value has been allocated to the warrants under the residual method.

7. SHARE CAPITAL (continued)

(b) Issued and Outstanding (continued):

On June 1, 2016, the Company issued a total of 5,687,977 common shares of the Company valued at $284,399 to settle short terms of $110,633 and trades payable of $120,584 resulting in a loss on settlement of debt of $53,182 (Notes 6 and 10).

On August 26, 2016 through September 30, 2016, the Company issued 2,007,570 units of a non-brokered private placement at $0.20 per unit for gross proceeds of $401,514. Each unit issued consists of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share for a period of twelve (12) months at an exercise price of $0.40, provided that if the closing price of the Company's shares on any stock exchange or quotation system on which the shares are then listed or quoted is equal to or greater than $0.60 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire on a date that is not less than 10 business days from the date notice is given. The Company paid finders fees of $26,390 and issued 131,950 finders' warrants on the same terms and conditions as the private placement warrants.

(c) Escrow Shares:

Pursuant to the escrow agreements in October 2015, the 833,333 common shares issued pursuant to the private placement are subject to escrow restrictions, release 10% on listing and 15% every six-months commencing on January 16, 2015. At September 30, 2016, 375,000 common shares remain in escrow.

(d) Stock Options:

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 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.

On August 17, 2015, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 420,000 common shares of the Company to certain directors, officers, and consultants of the Company. All options were vested immediately. The options are exercisable at a price of $1.25 per common share for a two year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 2 years, volatility of 120%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.38%. Share-based compensation of $221,914 was recorded for the year ended December 31, 2015. Fair value for each option was $0.53 per share. As at September 30, 2016, there were 420,000 exercisable options outstanding and the weighted average life remaining of these options was 1.13 years.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(e) Warrants:

	Nine months ended September 30, 2016		Year ended December 31, 2015	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Opening	**733,333**	**$0.75**	-	-
Issued	**10,139,520**	**$0.13**	833,333	$0.75
Exercised	**-**	**-**	(100,000)	$0.75
Expired	**(733,333)**	**$0.75**	-	-
Ending	**10,139,520**	**$0.13**	733,333	$0.75

As at September 30, 2016, the following warrants remain outstanding:

Number of warrants	**Exercise price**	**Expiry date**
8,000,000	$0.06	June 1, 2017
963,000	$0.40	August 26, 2017
1,176,520	$0.40	September 19, 2017
10,139,520		

8. CAPITAL DISCLOSURES

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 (deficiency) 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. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

	September 30, 2016	December 31, 2015
	$	$
FVTPL financial asset	117,680	737
Loans and receivables	165,000	-
Other financial liabilities	713,743	1,017,194

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Management of Industry and Financial Risk

The Company is engaged primarily in the sales and distribution of approved drugs and manages related industry risk issues directly. The Company may be at risk for regulatory issues and fluctuations in exchange rates.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company intends to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at September 30, 2016, the Company had cash of $117,680 (December 31, 2015 - $737) to settle the total current liabilities of $91,586 (December 31, 2015 - $1,017,194).

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

At September 30, 2016, the Company had accounts payable of $210,406 denominated in Euro. A significant change in the currency exchange rates between the Canadian dollars relative to the Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

10. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2016, the Company incurred $26,250 (2015 – $Nil) of management fees from the Chief Financial Officer ("CFO") and Director of the Company. The Company issued 1,575,000 common shares at $0.05 per share to settle $89,250 payable to the CFO and Director of the Company (Notes 6 and 7).

During the nine months ended September 30, 2016, the Company incurred $Nil (2015 – $47,250) of consulting fees from the former CFO and Director of the Company.

During the nine months ended September 30, 2016, the Company issued 1,050,572 common shares at $0.05 per share to settle $40,529 due to a director of a greater than 10% shareholder of the Company (Notes 6 and 7).

11. SUBSEQUENT EVENTS

On October 28, 2016 through November 21, 2016, the Company issued 2,472,500 units of a non-brokered private placement at $0.20 per unit for gross proceeds of $494,500. Each unit issued consists of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share for a period of twelve (12) months at an exercise price of $0.40, provided that if the closing price of the Company's shares on any stock exchange or quotation system on which the shares are then listed or quoted is equal to or greater than $0.60 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire on a date that is not less than 10 business days from the date notice is given. The Company paid finders fees of $39,550 and issued 197,750 finders' warrants on the same terms and conditions as the private placement warrants.

On November 21, 2016, the Company issued 500,000 common shares in settlement of debts in the amount of $100,000 at $0.20 per share for consulting services rendered.

On November 21, 2016, the Company has acquired all of the issued and outstanding shares of PokerVision by issuing 15,000,000 common shares and 20,000,000 Performance Warrants exercisable at $0.20 per share for a period of 5 years on the terms set out below. PokerVision is a Calgary based media, events and sports entertainment company focused on building a global multi-platform broadcasting network, the PokerVision Network, to deliver content to consumers via new digital media as well as traditional television and other broadcast platforms. 13,425,000 of the common shares issued are subject to an escrow arrangement whereby 10% were released on closing and the balance released on the basis of 15% every 6 months for the next 3 years. All securities issued are subject to trading restrictions until March 22, 2017.

On November 24, 2016, the Company issued 800,000 common shares from the exercised of 800,000 warrants at $0.06 per warrant for gross proceeds of $48,000.