

LeenLife Pharma International Inc.

Condensed Interim Financial Statements

For the nine months ended December 31, 2016

Expressed in Canadian dollars

LeenLife Pharma International Inc.

**Unaudited Condensed Interim Financial Statements
For the nine months ended December 31, 2016**

Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee.

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

LeenLife Pharma International Inc.
Condensed Interim Statements of Financial Position
As At,
(Expressed in Canadian dollars)

	Note	December 31, 2016	March 31, 2016
ASSETS			
Current Assets			
Cash		\$ 23,590	\$ 175
Amounts receivable		44,783	19,931
Due from a related party	6	70,104	65,000
Prepays		700	-
Promissory note	6	30,212	28,957
		<u>169,389</u>	<u>114,063</u>
Equipment	4	3,522	2,889
Total assets		\$ 172,911	\$ 116,952
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 188,337	\$ 101,646
Advances and amounts owing to related parties;		70,225	343,697
Loans payable	5	35,342	107,957
		<u>293,904</u>	<u>553,300</u>
SHAREHOLDERS' EQUITY			
Share capital	9	4,565,593	3,597,443
Equity reserves		8,050	8,050
Deficit		(4,694,636)	(4,041,841)
		<u>(120,993)</u>	<u>(436,348)</u>
Total liabilities and shareholders' equity		\$ 172,911	\$ 116,952

"Stan Lis"
Director

"Casey Forward"
Director

LeenLife Pharma International Inc.
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note	For the three months ended December 31, 2016	For the three months ended December 31, 2015	For the nine months ended December 31, 2016	For the nine months ended December 31, 2015
Expenses					
Amortization		\$ 271	\$ -	\$ 813	\$ -
Bank charges and interest		12,678	133	33,327	332
Consulting fees		46,588	30,000	46,588	52,000
Management and director fees	12	54,000	36,000	162,000	36,000
Office and general		20,771	10,378	54,958	23,480
Professional fees	12	73,048	10,896	183,718	26,369
Research		-	-	20,000	-
Sales fees and commissions		61,452	-	115,883	-
Shareholder liaison and promotion		2,000	-	8,000	-
Transfer agent and filing fees		5,718	12,235	15,902	18,432
Travel		1,037	27,600	12,861	32,330
		(277,563)	(127,242)	(654,050)	(188,943)
Other items					
Interest income		-	630	1,255	1,883
Loss and comprehensive loss		\$ (277,563)	\$ (126,612)	\$ (652,795)	\$ (187,060)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding		31,733,106	19,133,334	31,733,106	19,133,334

LeenLife Pharma International Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)

Note	For the nine months ended December 31, 2016	For the nine months ended December 31, 2015
Cash Flows from Operating Activities		
Loss for the period	\$ (652,795)	\$ (187,060)
Items not affecting cash:		
Amortization	813	-
Accrued interest (income)	19,099	(1,883)
	<u>(632,883)</u>	<u>(188,943)</u>
Changes in non-cash working capital:		
Amounts receivable	(24,852)	(2,939)
Prepaid expenses and deposits	(700)	10,465
Related parties	(280,068)	93,588
Accounts payable and accrued liabilities	86,691	17,103
Net cash provided by (used in) operating activities	<u>(851,812)</u>	<u>(70,726)</u>
Cash Flows from Financing Activities		
Issuance of shares	978,500	-
Issue costs	(10,350)	-
Loans paid	(86,374)	-
Net cash provided by financing activities	<u>881,776</u>	<u>-</u>
Cash Flows from Investing Activities		
Purchase of technology	(5,104)	-
Purchase of capital assets	(1,445)	-
Net cash used in investing activities	<u>(6,549)</u>	<u>-</u>
Change in cash and cash equivalents	23,415	(70,726)
Cash and cash equivalents at beginning of period	175	70,890
Cash and cash equivalents at end of period	<u>\$ 23,590</u>	<u>\$ 164</u>
Cash and cash equivalents consist of:		
Cash	\$ 23,590	\$ 164
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Supplemental cash flow information

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LeenLife Pharma International Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital		Share Subscriptions	Share-based Compensation	Deficit	Total	
	Note	Shares					Amount
Balance, March 31, 2015		19,133,334	\$ 447,500	\$ -	\$ 8,050	\$ (308,580)	\$ 146,970
Loss for the period		-	-	-	-	(187,060)	(187,060)
Balance, December 31, 2015		19,133,334	\$ 447,500	\$ -	\$ 8,050	\$ (495,640)	\$ (40,090)
Balance, March 31, 2016		31,733,106	\$ 3,597,443	\$ -	\$ 8,050	\$ (4,041,841)	\$ (436,348)
Private placement - tranche #1		9,335,000	933,500	-	-	-	933,500
Private placement - tranche #2		450,000	45,000	-	-	-	45,000
Issue costs		-	(10,350)	-	-	-	(10,350)
Loss for the period		-	-	-	-	(652,795)	(652,795)
Balance, December 31, 2016		41,518,106	\$ 4,565,593	\$ -	\$ 8,050	\$ (4,694,636)	\$ (120,993)

The accompanying notes form an integral part of these financial statements

LEENLIFE PHARMA INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
December 31, 2016
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated as a numbered company under the laws of the Province of British Columbia on January 12, 2014. Pursuant to a plan of arrangement (the "Arrangement") dated January 14, 2014, between the Company and Vinergy Resources Ltd. ("Vinergy"), the Company acquired from Vinergy a business interest and \$5,000 in cash as part of the Arrangement.

As consideration for the business interest and the cash, the Company issued to Vinergy 2,633,334 common shares in its capital, which shares were distributed by Vinergy to its shareholders. Vinergy completed the share distribution on June 18, 2014.

With the completion of the share distribution, on June 18, 2014, the Company became a reporting issuer in British Columbia, Alberta and Ontario and changed its name on August 1, 2014, to SPT Sulphur Polymer Technologies Inc. On December 17, 2014, the Company was listed and began trading on the Canadian Securities Exchange ("CSE") under the symbol "SEE".

In July, 2015, the Company entered into an agreement to acquire a 90 interest in a Polish private company that had developed a process to isolate omega-3 fatty acids from flax seeds. The acquisition constituted a change of business for the Company for which final approval was received from the CSE on December 2, 2015 and the transaction was formally completed on February 18, 2016. In connection with the change of business, on December 3, 2015 the Company changed its name to LeenLife Pharma International Inc. and commenced trading on the CSE under the symbol "LLP".

The head office and registered and records office for the Company is located at Suite 380 – 680 Hornby Street, Vancouver, British Columbia, V6C 3B6,

Any business the Company proposes to undertake may take some time to achieve profitable operation and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, at December 31, 2016, the Company had not yet achieved profitable operations and has accumulated losses of \$4,694,636 (2015 - \$495,640) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. At December 31, the Company had a working capital deficiency of \$124,515 (march 31, 2016 - 439,237). The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity financing, or upon the generation of profits from its portfolio of bio-pharmaceutical assets, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty and may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments 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.

LEENLIFE PHARMA INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
December 31, 2016
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of compliance

This condensed interim financial information for the nine months ended December 31, 2016 have been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended March 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of presentation

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information

3. SIGNIFICANT ACCOUNTING POLICIES

See notes to the financial statements for the year ended March 31, 2016.

4. EQUIPMENT

	Computer equipment
Cost	
Balance at March 31, 2015	\$ -
Additions	3,984
Balance at March 31, 2016	3,984
Additions	1,446
Balance at December 31, 2016	\$ 5,430
Amortization and impairment	
Balance at March 31, 2015	\$ -
Amortization	1,095
Balance at March 31, 2016	1,095
Amortization	813
Balance at December 31, 2016	\$ 1,908
Carrying amounts	
at March 31, 2016	\$ 2,889
at December 31, 2016	\$ 3,522

LEENLIFE PHARMA INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)

5. PROMISSORY NOTE and LOANS PAYABLE

	December 31, 2016	March 31, 2016
The Company had an obligation under a promissory note in the amount of \$2,500. The Note is non-interest bearing, unsecured and due on demand.	\$ 2,500	\$ 2,500
The Company has a loan payable of \$15,000 to a third party. The loan is unsecured, without interest and due on demand.	15,000	15,000
The Company has a loan payable of \$72,000 from third party at an annual interest rate of 20% due on August 8, 2016. The Company received a net of \$70,000 after expenses. The agreement was amended on August 9, 2016 to a maturity date of November 11, 2016 for an additional fee of \$5,000.	nil	74,012
The Company has a loan payable of 45,000 PLN at an annual interest rate of 20% due on July 16, 2016.	17,842	16,445
Total	\$ 35,342	\$ 107,957

6. LOANS RECEIVABLES

(a) Promissory note

The Company has advanced a loan of \$25,000 to a non-arm' length company. The loan was repayable on September 30, 2016 and accrues interest at the rate of 10% per annum, annually in arrears. As at December 31, 2016, interest of \$1,255 was accrued with respect to the current period.

(b) Due from a related party

The Company has advanced an amount of \$65,000 to Leucadia Finance Partners Inc., a company the majority of whose directors are previous directors of the Company. The loan is unsecured, without interest and due on demand;

LEENLIFE PHARMA INTERNATIONAL INC.
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7. SULSTAR LICENCE

Sulstar Licence

On July 17th, 2014, the Company acquired a license from Sulstar Technologies Inc., a British Columbia corporation, for a patented technology for converting waste sulphur into unique granulated thermoplastic asphalt binder and a modified sulphur polymer concrete marketed under the names of Sulstar and Sulconcrete, respectively, for the provinces of British Columbia, Alberta, Saskatchewan and the Yukon Territory, in consideration of \$25,000 cash (paid) and a 2% royalty on all sales. The license has a five-year term (expires on August 14, 2019) and is renewable based on performance.

During the year ended March 31, 2015, the Company recorded impairment in the amount of \$25,000 as the Company had no immediate plans to conduct further business on this project.

8. LEENLIFE ACQUISITION

In July, 2015, the Company entered into a share purchase agreement to acquire a 90-per-cent interest in a Polish private company, LeenLife Pharma SA, which has developed a process to isolate omega-3 fatty acids from flax seeds. The purchase price was comprised of 12,232,788 common shares of the Company at a deemed issuance price of \$0.25 per share for an aggregate value of \$3,058,197 and \$563,044 in cash consideration due by January 31, 2016. \$122,541 was advanced to purchase flax seeds and other materials. Common shares totaling 366,984 and valued at \$91,746 were issued as compensation for finder's fees for this contract. The Share Purchase Agreement received final approval from the Canadian Securities Exchange (the "CSE") on December 2, 2015. In anticipation of closing the transaction, the Company changed its name to LeenLife Pharma International Inc. on December 3, 2015.

Several delays were encountered in closing a final document, which was finally completed on February 18, 2016. Subsequent to February 18, 2016, the Company had been waiting for key detailed information with which to advance the objectives of the Company, mainly on the ingredients, patents and follow up on production.

As of November 28, 2016, the 12,232,788 common shares have not been delivered being held in safekeeping pending cancellation. None of the \$563,044 cash consideration has been advanced. The amount of \$563,044 was calculated on the basis of tax consequences if the vendors received the 12,232,788 common shares.

Management of LeenLife Pharma SA has been uncooperative and not forthcoming with supporting information. In addition, the Company engaged a large international auditing firm with offices in Canada and Poland to perform an audit on the target company. We were denied access on very disrespectful terms. The Company made a decision to terminate the LeenLife Pharma S.A. relationship and has written off all investments costs. The Company has taken action in Poland and has been able to have additional shares of LeenLife Pharma SA awarded for funds put up. The Company has forwarded the original 90% of shares received of LeenLife Pharma S.A. to our solicitors in Poland. The Company has been in negotiations with a third party to exchange the shares held in LeenLife Pharma SA for goods in kind.

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The Company has been able to determine and establish the technical data it was seeking without the assistance of LeenLife Pharma S.A.

9. CAPITAL STOCK

Authorized: An unlimited number of common shares, without par value.

Nine months ended December 31, 2016

On December 14, 2016, the Company closed a first tranche of a private placement of 9,335,000 units resulting in gross proceeds of \$933, Each Unit was sold at a price of \$0.10 and consists of one common share of the Company (each, a "**Common Share**"), and one common share purchase warrant (each a "**Warrant**"). Each Warrant will be exercisable into one Common Share at a price of \$0.15 per Common Share for a period of two (2) years from closing of the Private Placement. Finder's fees of \$10,350 were paid in cash.

As of December 31, 2016, the Company closed a second tranche of the private placement of 450,000 Units for total proceeds of \$45,000.

Year ended March 31, 2016

As described in Note 8, the Company issued (but not delivered) 12,232,788 common shares of the Company at a deemed issuance price of \$0.25 per share for an aggregate value of \$3,058,197 to acquire a 90% interest in LeenLife Pharma SA.

The Company issued 366,984 in common shares valued at \$91,746 were issued as compensation for finder's fees for the acquisition of LeenLife Pharma SA.

As at December 31, 2016, the Company had no stock options outstanding and exercisable.

A summary of the status of the Company's stock options as at December 31, 2016 and March 31, 2016, and changes during those periods is presented below:

	Options Outstanding	Weighted Average Exercise Price	Remaining Contractual Life Years
Balance, March 31, 2015	800,000	\$ -	-
Granted during fiscal 2015	(800,000)	\$0.10	5.00
Balance, March 31, 2016	-	-	-
Cancelled in period	-	-	-
Balance, December 31, 2016	-	-	-

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Warrants

The changes in warrants were as follows:

	For the nine months ended December 31, 2016	Weighted average exercise price	For the year ended March 31, 2016	Weighted average exercise price
Balance at beginning of period	-	-	-	-
Activities during the period				
Granted	9,785,000	\$ 0.15	-	-
Balance at end of period	9,785,000	\$ 0.15	-	-

The following table summarizes information about warrants outstanding at December 31, 2016:

	Number outstanding	Exercise price	Expiry date
	9,335,000	\$0.15	December 14, 2018
	450,000	\$ 0.15	December 31, 2018
	9,785,000		

10. Capital Disclosures

The Company's objectives when managing capital is 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. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the development of the real estate development Business. 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.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investment in securities, short term loan, due from(to) a related party, accounts payable and accrued liabilities and property option payable. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accrued liabilities approximate their carrying values due to their short- term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

LEENLIFE PHARMA INTERNATIONAL INC.
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December 31, 2016
(Expressed in Canadian dollars)

Strategic and operational risks are risks that arise if the Company fails to develop the real estate development Business. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

The Company's credit risk was primarily attributable to bank balances and subscriptions 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. Subscriptions receivable is due from the parent company and management believes that the credit risk to be minimal.

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 December 31, 2016, the Company had a cash balance of \$23,590 (March 31, 2016 - \$175) and current liabilities of \$293,904 (March 31, 2016 - \$553,300). All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short-term and long-term cash requirements.

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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

12. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2016, the Company entered into the following transactions with related parties:

- (a) Management fees of \$108,000 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company, with amounts owing of \$32,302;
- (b) Consulting fees of \$108,000 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company, with amounts owing of \$34,923;
- (c) Consulting fees of \$10,000 were paid to a director.

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

13. SUBSEQUENT EVENTS

The closing of the Final Tranche resulted in gross proceeds to the Company of \$473,000 from the sale of

LEENLIFE PHARMA INTERNATIONAL INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
December 31, 2016
(Expressed in Canadian dollars)

4,730,000 units of the Company (the "Units"). The proceeds realized from the Final Tranche will be used for general corporate and working capital purposes.

Each Unit was sold at a price of \$0.10 and consists of one common share of the Company (each, a "Common Share"), and one common share purchase warrant (each a "Warrant"). Each Warrant will be exercisable into one Common Share at a price of \$0.15 per Common Share for a period of two (2) years from closing of the Final Tranche.

In total under the Private Placements, the Company issued 14,515,000 Units for aggregate gross proceeds of \$1,451,500. Certain registered brokers were paid a cash fee equal to 9% of the gross proceeds they raised under the first and second tranches of the Private Placements. All securities issued under the Final Tranche are subject to a statutory hold period of four months and one day from the distribution date.