LeenLife Pharma International Inc.

Financial Statements

For the year ended March 31, 2017 and 2016

Expressed in Canadian dollars

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
LeenLife Pharma International Inc.

We have audited the accompanying financial statements of LeenLife Pharma International Inc., which comprise the statements of financial position as at March 31, 2017 and 2016, the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years 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 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 financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements present fairly, in all material respects, the financial position of LeenLife Pharma International Inc. as at March 31, 2017 and 2016, and its financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the company's ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
August 1, 2017

LeenLife Pharma International Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note		March 31, 2017		March 31, 2016
ASSETS					
CURRENT ASSETS					
Cash		$	179,962	$	175
Amounts receivable			19,497		19,931
Due from a related party	6		-		65,000
Promissory note	6		-		28,957
TOTAL CURRENT ASSETS			199,459		114,063
Equipment	4		3,512		2,889
TOTAL ASSETS		$	202,971	$	116,952
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities		$	119,510	$	101,646
Advances and amounts owing to related parties	12		64,303		343,697
Loans payable	5		-		107,957
TOTAL LIABILITIES			183,813		563,330
SHAREHOLDERS' EQUITY					
Share capital	8		5,035,437		3,597,443
Equity reserves			8,050		8,050
Deficit			(5,024,329)		(4,041,841)
			19,158		(436,348)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	202,971	$	116,952

These financial statements were authorized for issue by the Board of Directors on August 1, 2017. They are signed on the Board's behalf by:

"Stan Lis" ________________________________ Director

"Casey Forward" ________________________________ Director

The accompanying notes are an integral part of these financial statements

LeenLife Pharma International Inc.
Statements of Operations and Comprehensive Loss
For the years ended March 31,
(Expressed in Canadian dollars)

	Note	2017	2016
Expenses			
Amortization		$ **2,427**	$ 1,096
Bank charges and interest		**28,008**	3,477
Consulting fees		**204,471**	166,311
Management and director fees	**12**	**224,500**	90,000
Office and general	**12**	**55,949**	25,620
Professional fees	**12**	**256,218**	94,948
Research		**31,969**	11,500
Shareholder liaison and promotion		**24,110**	6,434
Transfer agent and filing fees		**21,492**	21,083
Travel		**41,225**	40,308
		(890,369)	(460,777)
Other items			
Impairment of investments		**(82,487)**	(3,272,484)
Loss on settlement of debt		**(9,632)**	
Loss and comprehensive loss		$ **(982,488)**	$ (3,733,261)
Loss per share, basic and diluted		$ **(0.03)**	$ (0.11)
Weighted average number of shares outstanding		**35,386,653**	35,149,845

The accompanying notes are an integral part of these financial statements

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

		Share Capital				
	Note	Shares	Amount	Equity reserves	Deficit	Total
Balance, March 31, 2015		19,133,334	$ 447,500	$ 8,050	$ (308,580)	$ 146,970
Shares issued for purchase agreement		12,232,788	3,058,197	-	-	3,058,197
Shares issued for finder's fee		366,984	91,746	-	-	91,746
Loss for the period		-	-	-	(3,733,261)	(3,733,261)
Balance, March 31, 2016		31,733,106	$ 3,597,443	$ 8,050	$ (4,041,841)	$ (436,348)
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
Private placement - tranche #3		4,730,000	473,000	-	-	473,000
Issue costs		-	(13,506)	-	-	(13,506)
Return to Treasury		(12,232,788)	-	-	-	-
Loss for the period		-	-	-	(982,488)	(982,488)
Balance, March 31, 2017		34,015,318	$ 5,035,437	$ 8,050	$ (5,024,329)	$ 19,158

The accompanying notes are an integral part of these financial statement

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

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Flows from Operating Activities			
Loss for the period		$ (982,488)	$ (3,733,261)
Items not affecting cash:			
Amortization		2,427	1,098
Accrued interest (income)		-	2,675
Loss on settlement of debt		9,632	-
Impairment		82,487	3,149,943
		(887,942)	(579,545)
Changes in non-cash working capital:			
Amounts receivable		433	(16,395)
Prepaid expenses and deposits		-	13,862
Accounts payable and accrued liabilities		17,864	86,373
Net cash provided by (used in) operating activities		(869,645)	(495,705)
Cash Flows from Financing Activities			
Issuance of shares		1,451,500	-
Issue costs		(13,506)	-
Related parties		(277,556)	343,697
Loans paid		(107,957)	-
Net cash provided by financing activities		1,052,481	343,697
Cash Flows from Investing Activities			
Purchase of equipment		(3,049)	-
Purchase of technology		-	(3,984)
Short term loans		-	85,277
Net cash used in investing activities		(3,049)	81,293
Change in cash and cash equivalents		179,787	(70,715)
Cash and cash equivalents at beginning of period		175	70,890
Cash and cash equivalents at end of period		$ 179,962	$ 175
Cash and cash equivalents consist of:			
Cash		$ 179,962	$ 175
Interest paid		$ -	$ -
Income taxes paid		$ -	$ -

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 March 31, 2017, the Company had not yet achieved profitable operations and has accumulated losses of $5,024,329 (2016 - $4,041,841) 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 March 31, 2017, the Company had working capital of $15,646 (March 31, 2016 - working capital deficiency of $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 biopharmaceutical 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.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and 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 the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the financial statements are discussed in Notes 3d), 3e), 3f) and 3i).

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. As at March 31, 2017, there is $179,962 (2016 - $175) included as cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors 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.

The fair value of the options 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.

c. Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock, and any related amount recorded in warrants reserve is transferred to capital stock.

d. 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.

e. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term.

Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and advance from parent company are classified as financial liabilities. Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
GST receivable and prepaid expenses	Loans and receivables
Due from a related party	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Promissory note payable	Other liabilities
Loan payable	Other liabilities

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 –

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f. Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g. Comprehensive income (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 shareholders 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 shareholders' 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.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding is 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.

i. 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.

j. Accounting standards issued but not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended March 31, 2017:

- IFRS 9 — *"Financial Instruments"* - New standard that replaces IAS 39 for classification and measurement of financial instruments. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Accounting standards issued but not yet effective (continued)

- IFRS 15 — New standard that establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

- IFRS 16 — *"Leases"* – On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses). The standard is effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption is permitted.

The Company is currently in the process of reviewing the standards to determine the impact on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

k. Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. As at March 31, 2017, the Company considers that it has one reportable business segment.

(Expressed in Canadian dollars)

4. EQUIPMENT

	Computer equipment
Cost	
Balance at March 31, 2015	$-
Additions	3,984
Balance at March 31, 2016	3,984
Additions	3,050
Balance at March 31, 2017	$7,034
Amortization and impairment	
Balance at March 31, 2015	$-
Amortization	1,095
Balance at March 31, 2016	1,095
Amortization	2,427
Balance at March 31, 2017	$3,522
Carrying amounts	
at March 31, 2016	$3,512
at March 31, 2017	$1,805

5. PROMISSORY NOTE and LOANS PAYABLE

	March 31, 2017	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
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
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.	-	74,012

(Expressed in Canadian dollars)

The Company has a loan payable of 45,000 PLN at an annual interest rate of 20% due on July 16, 2016.		-		16,445
Total	$	-	$	107,957

6. LOANS RECEIVABLES

(a) Promissory note

The Company has advanced a loan of $25,000 to a non-arms' length company. The loan is repayable on September 30, 2016 and accrues interest at the rate of 10% per annum, annually in arrears. As at March 31, 2016, interest of $1,883 was accrued with respect to the current period bringing the total accrued interest to $3,336. During the year ended March 31, 2017, the amount was determined to be impaired and uncollectible. As a result the full balance was written off.

(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. During the year ended March 31, 2017, the amount was determined to be impaired and uncollectible. As a result the full balance of the advance was written off.

7. 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 is 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.

Due to the failure of the Vendors and the management of LeenLife SA in Poland satisfying the essence of the Transaction by delivering control of this Polish company with operating documents to the Company, and having refused to co-operate with the Company with such matters as allowing an audit of the records of this Polish company by a major international audit firm engaged by the Company, having offices in Canada and Poland, as required to satisfy the Company's regulatory requirements, the Transaction has been repudiated by the actions of the Vendors. As the transaction has been repudiated, a liability which would have been created from the receipt of the shares from the Company to the Vendors causing a tax liability of $563,044 is no longer applicable. This amount was written off in previous financial statements.

Subsequent to March 31, 2017, the Company returned to treasury and cancelled the Acquisition Shares and returned the original LeenLife SA shares. With the return to treasury and cancellation of these 12,232,788 common shares, the balance of outstanding common shares is 34,015,318.

8. CAPITAL STOCK

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

The following transactions took place during the year ended March 31, 2017:

The Company closed a non-brokered private placement in three tranches issuing a total of 14,515,000 Units at $0.10 per unit. Each Unit consists of one common share of the Company and one warrant to purchase an additional share at $0.15 per share for a period of two years. The first tranche of 9,335,000 Units closed on December 16, 2016 with the Company issuing 9,335,000 common shares and 9,335,000 warrants exercisable at $0.15 until December 16, 2018. The second tranche of 450,000 Units closed on December 30, 2016 with the Company issuing 450,000 common shares with 450,000 warrants exercisable until December 30, 2018. The third tranche of 4,730,000 Units closed on February 21, 2017 with the Company issuing 4,730,000 common shares with warrants exercisable until February 21, 2019. The Company incurred issue costs of $13,506..

On March 30, 2017, the Company returned to treasury and cancelled the 12,232,788 common shares issued in connection to the acquisition of LeenLife SA.

The following transactions took place during the year ended March 31, 2016:

As described in Note 8, the Company acquired LeenLife Pharma SA for 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

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.

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'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.

(Expressed in Canadian dollars)

8. CAPITAL STOCK (continued)

There were no grants or exercises of options during the year ended March 31, 2017.

On September 29, 2014, the Company granted 800,000 options to officers, directors and consultants.

They have an exercise price of $0.10 for a period of five years from the date of issue. The options were fully vested upon issue. These options were cancelled as of March 31, 2016.

Warrants:

(i) The balance of warrants outstanding and related information for the years ended March 30, 2017 and 2016 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price (per share)	Weighted Average Life (years)
Balance, March 31, 2016 and 2015	-	$ -	-
Issued	14,515,000	$0.15	
Balance, March 31, 2017	14,515,000	$0.05	1.77

(ii) The following table summarizes information about warrants outstanding at March 31, 2017:

Number outstanding	Exercise price	Remaining Life (Years)	Expiry date
9,335,000	$0.15	1.71	December 16, 2018
450,000	0.15	1.75	December 30, 2018
4,730,000	0.15	1.90	February 21, 2019
14,515,000			

9. 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.

10. 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:

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 March 31, 2017, the Company had a cash balance of $179,962 (2016 - $175) and current liabilities of $168,813 (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.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year presentation.

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2017, the Company entered into the following transactions with related parties:

(a) Management fees of $224,500 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company;

(b) Automobile expenses of $20,500 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company;

(c) Professional fees of $224,500 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;

(d) Automobile expenses of $20,500 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;

During the year ended March 31, 2016 the following transactions were entered into:

(e) Management fees of $90,000 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company;

(f) Consulting fees of $90,000 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;

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. As at March 31, 2017, $64,303 (2016 - $343,697) was owing to related parties.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2017		2016
Net income (loss) for the year	$	(982,488)	$	(3,733,260)
Statutory income tax rates		26%		26%
Income tax benefit computed at Canadian statutory tax rate		(255,447)		(970,648)
Items not deductible for income tax purposes		1,730		852,334
Unrecognized benefit of deferred income tax assets		253,717		118,314
Change in timing difference		-		-
Effect of change in tax rates		-		-
Total income tax recovery	$	-	$	-

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets.

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

Temporary differences for:	**2017**	**2016**
Income tax assets		

Non-capital loss carry-forward	$	**1,696,219**	$	**728,183**
Share issuance costs		**13,925**		**4,680**
	$	**1,710,144**	$	**732,863**

At March 31, 2017, the Company has accumulated non-capital losses for income tax purposes of approximately $1,697,000 (2016 - $729,000). The losses expire in the following years:

Year of expiration	Non-capital loss
2034	3,000
2035	270,000
2036	456,000
2037	968,000
	$ 1,697,000

14. SUBSEQUENT EVENTS

a) On June 20, 2017, the Company granted incentive stock options to officers, directors, and consultants to purchase up to an aggregate of 3,600,000 common shares at an exercise price of $0.18 per share, exercisable for a term of three years from the date of grant expiring June 20, 2020.

b) On July 14, 2017, the Company received proceeds of $54,000 from the exercise of 300,000 warrants and issued 300,000 common shares.

c) On April 4, 2017, the Company entered into an agreement and engaged BK Capital for their assistance in the preparation of a corporate Business Plan and related documents. The Company has agreed to pay $6,500 plus applicable GST. An initial retainer of $4,500 plus GST is requested at the beginning of the assignment. The remaining payment will be made upon completion and submission to the Company of the draft form of the Documents.

d) On May 25, 2017, the Company entered into a Collaborative Research Agreement with the University of British Columbia ("UBC") to analyze the composition of the products produced by the Company's two proposed manufacturing process to determine created the most pure omega-3 product. The Company has agreed to pay $36,056 for the work performed based on the budgeted costs of the project. The budget is an estimate and any changes may be made at UBC's discretion.