LeanLife Health Inc.
(formerly LeenLife Pharma International Inc.)

Financial Statements

For the nine months ended December 31, 2018

Expressed in Canadian dollars
(unaudited)

LeanLife Health Inc.

Unaudited Condensed Interim Financial Statements
For the nine months ended December 31, 2018

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.

LeanLife Health Inc.
(formerly LeenLife Pharma International Inc.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(unaudited)

	Note	December 31, 2018	March 31, 2018
ASSETS			
Current Assets			
Cash		$ 7,993	$ 46,626
Amounts receivable		52,996	89,678
Prepaids		43,344	62,191
		104,333	198,495
Equipment	6	474,779	432,997
Total assets		$ 579,112	$ 631,492
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8, 13	$ 729,860	$ 192,212
Advances and amounts owing to related parties	10	83,895	73,452
		813,755	265,664
SHAREHOLDERS' EQUITY			
Share capital	9	8,120,060	7,305,060
Share subscriptions	9	323,500	-
Equity reserves	13	346,598	346,598
Deficit		(9,024,801)	(7,285,830)
		(234,643)	365,828
Total liabilities and shareholders' equity		$ 579,112	$ 631,492

"Stan Lis"
Director

"Glen Macdonald"
Director

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

	Note	**For the three months ended December 31, 2018**	For the three months ended December 31, 2017	**For the nine months ended December 31, 2018**	For the nine months ended December 31, 2017
Expenses					
Amortization		2,312	527	$ 6,463	$ 1,306
Bank charges and interest		794	296	1,092	638
Consulting fees		235,000	99,100	326,600	135,886
Engineering and testing		25,000	20,007	54,400	82,972
Financial services		129,238	-	263,238	-
Licence fees		-	100,000	-	100,000
Management fees	10	72,000	212,692	248,800	323,692
Office and general		48,817	21,193	127,131	70,786
Professional fees	10	77,255	106,722	241,508	238,627
Product marketing		11,819	176,000	265,627	176,000
Shareholder liaison and promotion		59,000	13,114	76,250	17,500
Stock based compensation		-	378,291	-	670,154
Travel		(4,456)	17,176	18,044	17,176
Transfer agent and filing fees		8,136	72,804	21,789	80,513
Warehouse rental		88,029	-	88,029	-
		(752,944)	(1,217,922)	(1,738,971)	(1,915,250)
Other items				-	-
Loss and comprehensive loss		$ (752,944)	$ (1,217,922)	$ (1,738,971)	$ (1,915,250)
Loss per share, basic and diluted		$ (0.01)	$ (0.03)	$ (0.03)	$ (0.05)
Weighted average number of shares outstanding		58,403,268	35,670,063	58,403,268	35,670,063

LeanLife Health Inc.
(formerly LeenLife Pharma International Inc.)
Condensed Interim Statements of Cash Flow
(Expressed in Canadian dollars)
(unaudited)

	Note	**For the nine months ended December 31, 2018**	For the nine months ended December 31, 2017
Cash Flows from Operating Activities			
Loss for the period		$ (1,738,971)	$ (1,915,250)
Items not affecting cash:			
Amortization		6,463	1,306
Stock based compensation		-	670,154
Licence fees		-	75,000
		(1,732,508)	(1,168,790)
Changes in non-cash working capital:			
Amounts receivable		36,682	(42,973)
Prepaid expenses		18,847	-
Accounts payable and accrued liabilities		537,648	7,551
Net cash provided by (used in) operating activities		(1,139,331)	(1,204,212)
Cash Flows from Financing Activities			
Issuance of shares for cash		825,000	2,061,500
Share issue costs		(10,000)	(66,500)
Share subscriptions		323,500	-
Due to related parties		10,443	62,066
Net cash provided by (used by) financing activities		1,148,943	2,057,066
Cash Flows from Investing Activities			
Purchase of computer equipment		(2,000)	(1,680)
Purchase of manufacturing equipment		(46,245)	(223,429)
Net cash used in investing activities		(48,245)	(225,109)
Change in cash and cash equivalents		(38,633)	627,745
Cash and cash equivalents at beginning of period		46,626	179,962
Cash and cash equivalents at end of period		$ 7,993	$ 807,707
Cash and cash equivalents consist of:			
Cash		$ 7,993	$ 807,707
Interest paid		$ -	$ -
Income taxes paid		$ -	$ -

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

		Share Capital					
	Note	Shares	Amount	Subscriptions receivable	Share-based Compensation	Deficit	Total
Balance, March 31, 2017		34,015,318	$ 5,035,437	$ -	$ 8,050	$ (5,024,329)	$ 19,158
Private placement		19,025,000	1,902,500	-	-	-	1,902,500
Issue costs		-	(66,500)	-	-	-	(66,500)
Exercise of warrants		700,000	105,000	-	-	-	105,000
Stock based compensation		-	-	-	670,154	-	670,154
Exercise of stock options		300,000	54,000	-	-	-	54,000
Fair value of stock options exercised		-	25,753	-	(25,753)	-	-
Issuance of shares for licence		1,000,000	75,000	-	-	-	75,000
Loss for the period		-	-	-	-	(697,328)	(697,328)
Balance, December 31, 2017		55,040,318	$ 7,131,190	$ -	$ 652,451	$ (5,721,657)	$ 2,061,984
Balance, March 31, 2018		56,115,318	$ 7,305,060	$ -	$ 346,598	$ (7,285,830)	$ 365,828
Private placement - 1st tranche	9b	11,400,000	570,000	-	-	-	570,000
Private placement - 2nd tranche	13	-	-	323,500	-	-	323,500
Issue costs	9b	-	(10,000)	-	-	-	(10,000)
Exercise of warrants	9d	1,700,000	255,000	-	-	-	255,000
Loss for the period		-	-	-	-	(1,738,971)	(1,738,971)
Balance, December 31, 2018		69,215,318	$ 8,120,060	$ 323,500	$ 346,598	$ (9,024,801)	$ (234,643)

1. CORPORATE INFORMATION

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". On January 15, 2018 the Company changed its name to LeanLife Health Inc.

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

This condensed interim financial information for the nine months ended December 31, 2018 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, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2019.

3. GOING CONCERN ISSUES

The Company incurred a loss of $1,738,971 for the nine months ended December 31, 2018 (2017: $1,915,250), and has an accumulated deficit of $9,024,801 and working capital deficiency of $709,422 at December 31, 2018 (March 31, 2018: deficit of $7,285,830 and working capital deficiency of $67,169). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

5. SEGMENTED INFORMATION

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 June 30, 2018, the Company considers that it has one reportable business segment.

6. EQUIPMENT

	Manufacturing equipment	Equipment	Leasehold improvements	Total
Cost				
Balance at March 31, 2017	$ -	$ 7,034	$ -	$ 7,034
Additions	398,698	28,908	6,500	434,106
Balance at March 31, 2018	398,698	35,942	6,500	441,140
Additions	46,245	-	2,000	48,245
Balance at December 31, 2018	$ 444,943	$ 35,942	$ 8,500	$ 489,385
Amortization and impairment				
Balance at March 31, 2017	$ -	$ 3,522	$ -	$ 3,522
Amortization	-	4,260	361	4,621
Balance at March 31, 2018	-	7,782	361	8,143
Amortization	-	4,810	1,653	6,463
Balance at December 31, 2018	$ -	$ 12,592	$ 2,014	$ 14,606
Carrying amounts				
at March 31, 2018	$ 398,698	$ 28,160	$ 6,139	$ 432,997
at December 31, 2018	$ 444,943	$ 23,350	$ 6,486	$ 474,779

Manufacturing equipment consists of equipment manufactured in Canada to manufacture the Company's omega oil products. At December 31, 2018 this equipment was located in the Company production warehouse awaiting permitting and installation.

7. LICENCES

In October the Company announced it had entered into an exclusive agreement with BioCube Corporation Ltd. (“BioCube”), an Australian company with offices in British Columbia, whereby BioCube will supply BioCube processors on an exclusive worldwide basis to the Issuer for the processing of flax thereby enabling the Issuer to manufacture its Omega 3 products based on flax seed oil.

BioCube has agreed to manufacture the BioCube Processor for processing of flaxseed oil exclusively for the Company on following terms:

1. Advance payment of fixed fee to BioCube as an annual minimum royalty ($25,000) to be applied against a royalty of 2% of net sales of products produced using the BioCube Processor. The Company has the option to purchase one-half of the royalty for consideration of one million dollars.
2. Issuance of one million shares of the Company’s stock to BioCube of which 50% will vest after one year and 50% will vest after two years.
3. The term of the agreement is 5 years with renewals of 5-year periods.

8. COMMITMENTS

(a) Marketing Agreement

In January 2018, the Company entered into an agreement with RD Heritage Group, LLC ("RD Heritage") whereby RD Heritage undertook to market and sell the Company's products. The term of the agreement was for a period of 180 days after which the Company could terminate within 30 days notice. Pursuant to the agreement, RD Heritage was granted 800,000 warrants and paid $35,000 USD per month. The company terminated the agreement on July 5, 2018. The Company has accrued a liability of $138,000 for services billed by RD Heritage.

9. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

For the nine months ended December 31, 2018

The Company closed the 1st tranche of a non-brokered private placement for a total of 11,400,000 Units at $0.05 per unit. Each Unit consists of one common share of the Company and one warrant to purchase an additional share at $0.075 per share for a period of three years, until September 27, 2021. The Company incurred issue costs of $10,000, paid in cash.

Warrants from the private placement completed in 2016, were exercised for a total of 1,700,000 warrants for a total of $255,000.

For the year ended March 31, 2018

The Company closed a non-brokered private placement for a total of 19,025,000 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 three years, until December 11, 2020. The Company incurred issue costs of $68,500, paid in cash.

Warrants from the private placement completed in 2016, were exercised for a total of 1,625,000 warrants for a total of $243,750.

Stock options were exercised for a total of 450,000 shares at $0.18 per share for a total of $81,000. The fair value of the stock exercised is $38,977 based on stock-based compensation of $294,492 as shown in note (b) below.

Issuance of one million shares of the Company's stock to BioCube of which 50% will vest after one year and 50% will vest after two years. Fair value of the shares was $0.75 per share for a total of $75,000.

The Company granted 800,000 warrants to RD Heritage pursuant to a marketing agreement on January 5, 2018. The fair value of the warrants granted was $77,929 as shown in note (d) below..

9. SHARE CAPITAL continued

(c) Stock options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares.

(i) The changes in stock options were as follows:

	For the nine months ended December 31, 2018	Weighted Average Exercise Price	For the year ended March 31, 2018	Weighted Average Exercise Price
Balance, beginning of period	2,450,000	$ 0.18	-	$ -
Activities during the period:				
Granted	-	-	3,400,000	0.18
Exercised	-	-	(450,000)	0.18
Expired	(450,000)	0.18	(500,000)	0.18
Balance, end of period	2,000,000	$ 0.18	2,450,000	$ 0.18

(ii) The following table summarizes information about stock options outstanding at December 31, 2018.

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (years)
$ 0.18	2,000,000	2,000,000	1.5
	2,000,000	2,000,000	1.5

(d) Warrants

(i) The changes in warrants were as follows:

	For the nine months ended December 31,	Weighted Average Exercise Price	For the year ended March 31, 2018	Weighted Average Exercise Price
Balance at beginning of period	32,715,000	$ 0.16	-	$ -
Activities during the period:				
Issued	11,400,000	$ 0.075	33,540,000	$ 0.15
Expired	(450,000)	$ 0.15	-	$ -
Granted	-	$ 0.08	800,000	$ 0.40
Exercised	(1,700,000)	$ 0.15	(1,625,000)	$ 0.15
Balance at end of period	41,965,000	$ 0.13	32,715,000	$ 0.16

(ii) The following table summarizes information about warrants outstanding at December 31, 2018:

Number outstanding	Exercise price	Expiry date
2,730,000	0.15	February 21, 2019
800,000	0.40	January 5, 2020
8,210,000	0.15	December 16, 2020
18,825,000	0.075	December 12, 2020
11,400,000	0.15	September 27, 2021
41,965,000		

10. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2017
Management fees	$ 248,800	$ 216,000
Professional fees	216,000	216,000
Consulting fees	-	107,692
Stock based compensation	-	383,445
	$ 464,800	$ 923,137

As at December 31, 2018 accounts payable and accrued liabilities included $83,895 (March 31, 2018 - $73,482) owing to officers and directors. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

11. 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.

12. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Foreign exchange risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company’s objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company’s exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage.

As at December 31, 2018, the Company had a cash balance of $17,993 and GST receivable of $52.996 to settle current trade liabilities of $739,860. The Company will require financing from lenders, shareholders or other investors to generate sufficient capital to meet its short term business requirements.

12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund operations to manufacture and sell its products is subject to risks associated with fluctuations in prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of flax seed oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

At December 31, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 7,993	$ -	$ -	$ 7,993

At March 31, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 46,626	$ -	$ -	$ 46,626

13. EVENTS OCCURRING AFTER THE REPORTING DATE

In February 2019 the Company closed the 2nd and final tranche of a non-brokered private placement for a total of 25,570,000 Units at $0.05 per unit. Each Unit consists of one common share of the Company and one warrant to purchase an additional share at $0.075 per share for a period of three years, until February 24, 2022. The Company incurred issue costs of $nil. At December 31, 2018 the Company had received a total of $323,500 in subscription receipts. Total funds pursuant to the 2nd tranche was $1,278,500 of which $487,500 was from debt conversion. Of this debt conversion $340,125 was incurred as at December 31, 2018.

In February 2019 the Company granted incentive stock options to Officers, Directors and Consultants entitling them to purchase an aggregate of 4,900,000 common shares of the Company at an exercise price of $0.05 per share for a 3-year term expiring at close of business on February 7, 2022.

In February 2019 a total of 500,000 stock options were exercised for total proceeds of $25,000.