

Financial statements of

**BREATHTEC BIOMEDICAL INC.
(FORMERLY PBA ACQUISITIONS CORP.)**

For the period from inception on April 10, 2015 to August 31, 2015

Expressed in Canadian Dollars

JAMES STAFFORD

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Independent Auditor's Report

To the Shareholders of Breathtec Biomedical Inc. (formerly PBA Acquisitions Corp.)

We have audited the accompanying financial statements of Breathtec Biomedical Inc. (formerly PBA Acquisitions Corp.) which comprise the statement of financial position as at August 31, 2015 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from the date of inception on April 10, 2015 to August 31, 2015, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 entity'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, the financial statements present fairly, in all material respects, the financial position of Breathtec Biomedical Inc. (formerly PBA Acquisitions Corp.) as at August 31, 2015 and the results of its operations and its cash flows for the period from the date of inception on April 10, 2015 to August 31, 2015 in accordance with International Financing 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 a material uncertainty that may cast significant doubt about the ability of Breathtec Biomedical Inc. (formerly PBA Acquisitions Corp.) to continue as a going concern.



Chartered Professional Accountants

Vancouver, Canada

19 October 2015

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Statement of Financial Position

As at August 31, 2015
(In Canadian Dollars)

	2015
Assets	
Current assets:	
Cash and cash equivalents	\$ 162,355
Prepaid expenses	47,067
	209,422
	\$ 209,422
Liabilities and Shareholders' Equity	
Current liabilities:	
Trade payable and accrued liabilities (Note 4)	\$ 7,100
	7,100
Shareholders' equity:	
Share capital (Note 5(b))	256,001
Deficit	(53,679)
	202,322
	\$ 209,422

Nature of Operations and Going Concern (Note 1) and Subsequent Events (Note 11)

Approved on behalf of the Board:

"Andrew Cheshire"

Andrew Cheshire

The accompanying notes are an integral part of these financial statements.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Statement of Loss and Comprehensive Loss

For the period from inception on April 10, 2015 to August 31, 2015
(In Canadian Dollars)

Expenses:		
Consulting fees (Note 10)	\$	10,500
Website development		25,000
Office and miscellaneous		163
Bank charges		60
Professional fees		17,956
Loss and comprehensive loss for the period	\$	(53,679)
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Basic loss per share (Note 6)	\$	(0.01)

The accompanying notes are an integral part of these financial statements.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Statement of Changes in Shareholders' Equity

For the period from inception on April 10, 2015 to August 31, 2015
(In Canadian Dollars)

	Shares	Share capital	Deficit	Total
Balance, April 10, 2015	-	\$ -	\$ -	\$ -
Issuance of common shares (Note 5(b))	12,800,100	256,001	-	256,001
Loss for the period	-	-	(53,679)	(53,679)
Balance, August 31, 2015	12,800,100	\$ 256,001	\$ (53,679)	\$ 202,322

The accompanying notes are an integral part of these financial statements.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Statement of Cash Flows

For the period from inception on April 10, 2015 to August 31, 2015
(In Canadian Dollars)

Cash provided by (used in):

Operations:

Loss for the period \$ (53,679)

Items not involving cash:

Prepaid expenses (47,067)

Trade payable and accrued liabilities 7,100

Cash flows used in operating activities (93,646)

Financing:

Proceeds from issuance of shares 256,001

Cash flows from financing activities 256,001

Increase in Cash and cash equivalents, being end of period \$ 162,355

The following cash payments have been made for the period from inception on April 10, 2015 to August 31, 2015:

Taxes	\$	-
Interest	\$	-

The accompanying notes are an integral part of these financial statements.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

1. Nature of Operations and Going Concern

Breathtec Biomedical Inc. (formerly PBA Acquisitions Corp.) (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on April 10, 2015. The Company was formed to propel innovative research in the area of breath analysis as a medical diagnostic tool. The Company will focus on the innovation and advances in the field of specialized mass spectrometry.

The Company's head office and registered and records office address is 1100 – 888 Dunsmuir Street, Vancouver, BC, Canada, V6E 3K4.

The Company's financial statements as at August 31, 2015 and for the period from inception on April 10, 2015 to August 31, 2015 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a net loss of \$53,679 for the period from the date of inception on April 10, 2015 to August 31, 2015 and has a working capital of \$202,322 at August 31, 2015.

The Company had cash and cash equivalents of \$162,355 at August 31, 2015, but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy during the year ending August 31, 2016. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that 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. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

2. Basis of Preparation and Statement of Compliance

These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB"). They have also been prepared in accordance with interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting.

Significant accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1.

3. Significant Accounting Policies

Income taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. During the period from inception on April 10, 2015 to 31 August, 2015, the Company did not have any instruments that were dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

3. Significant Accounting Policies (*continued*)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities: This category consists of liabilities carried at amortized cost, using the effective interest rate method.

The Company has classified its cash as fair value through profit or loss. The Company's trade accounts payable and accrued liabilities are classified as other financial liabilities. IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

Future Accounting Pronouncements

The following accounting pronouncements have been made, but are not yet effective for the Company as at August 31, 2015. The Company is currently evaluating the impact of these new and amended standards on its financial statements.

Amendments to IFRS 7, Financial Instruments: Disclosures (“IFRS 7”) will require additional disclosure of information on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2016.

In October 2010, the IASB issued IFRS 9, Financial Instruments (“IFRS 9”), which represents the completion of the first part of a three-part project to replace IAS 39, Financial Instruments: Recognition and Measurement, with a new standard. Per the new standard, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity’s own credit risk in the other comprehensive income or loss section of the entity’s statement of comprehensive loss, rather than within profit or loss. Additionally, IFRS 9 includes revised guidance related to derecognition of financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IAS 1 ‘Presentation of Financial Statements’ is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after January 1, 2016.

4. Trade Payables and Accrued Liabilities

The Company’s trade payables and accrued liabilities are principally comprised of amounts for administrative activities. These are broken down as follows for the period from the date of inception on April 10, 2015 to August 31, 2015:

Trade payables	\$	2,100
Accrued liabilities		5,000
Total	\$	7,100

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

5. Share Capital and Reserves

(a) Authorized Share Capital

The Company has authorized an unlimited number of common shares without nominal or par value.

As at August 31, 2015, the Company has 12,800,100 common shares outstanding.

(b) Common shares issued:

During the period from the date of inception on April 10, 2015 to August 31, 2015, the Company issued common shares as follows:

- On April 10, 2015, the Company issued 100 common shares pursuant to the inception of the Company at a price of \$0.01 per common share for total proceeds of \$1.
- On June 15, 2015, the Company issued 12,800,000 common shares pursuant to a non-brokered private placement at a price of \$0.02 per common share for total proceeds of \$256,000.

6. Loss per Share

The calculation of basic loss per share for the period from the date of inception on April 10, 2015 to August 31, 2015 is based on the following data:

Net loss for the period	\$	(53,679)
Weighted average number of shares - basic		6,933,433
Loss per share, basic	\$	(0.01)

7. Income Taxes

Income tax expense varies from the amount that would be computed by applying the expected basic federal and provincial income tax rates for Canada at August 31, 2015 at 13.50% to income before income taxes.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

7. Income Taxes (Continued)

A reconciliation of the differences is as follows:

Loss before income taxes	\$	(53,679)
Expected income tax recovery		(7,247)
Increase (decrease) in taxes:		
Change in valuation allowance		7,247
Income tax recovery	\$	-

The components of the deferred tax asset are as follows:

Deferred income tax asset (liability):		
Non-capital loss carry forwards	\$	7,247
Less: valuation allowance		(7,247)
Deferred income tax asset (liability)	\$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

	Amount	Expiry Date Range
Non-capital losses	\$ 53,679	2035
Total non-capital losses	\$ 53,679	

Tax attributes are subject to revenues and potential adjustments by tax authorities.

8. Financial Instruments and Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

As at August 31, 2015, the Company's risk exposure and the impact on the Company's Financial instruments are summarized below:

(a) Credit risk

Credit risk arises from the possibility that a counterparty to which the Company provides goods or services is unable or unwilling to fulfill their obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

8. Financial Instruments and Risk Management (*continued*)

(b) 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's approach to managing liquidity is through regular monitoring of cash requirements by preparing short-term and long-term cash flow analyses. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have any contractual obligations other than the trade accounts payable and accrued liabilities reported on the statement of financial position. The Company has sufficient cash as at August 31, 2015 to settle its current liabilities as they come due.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

i. Foreign currency exchange risk

The Company is exposed to foreign currency exchange rate fluctuations as the Company conducts business in Canada and the United States.

ii. Interest rate risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company does not have any exposure to changes in interest rates and is therefore not exposed to this risk.

iii. Commodity price risk

Commodity price risk is the risk of price volatility of commodity prices. Currently, the Company does not have commercial operations and is therefore not exposed to this risk. Commodity prices generally fluctuate beyond the control of the Company. Factors which contribute to the fluctuation are, but not limited to, demand, forward sales, worldwide production, speculative hedging activities, and bank lending rates.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

8. Financial Instruments and Risk Management *(continued)*

(d) Categories of financial instruments

As at August 31, 2015	
Financial assets at fair value	
Cash and cash equivalents	\$ 162,355
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Total financial assets at fair value	\$ 162,355
Financial liabilities at fair value	
Trades payable	\$ 2,100
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Total financial liabilities	\$ 2,100

(e) Fair value of financial instruments

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at August 31, 2015, the Company does not have any Level 3 financial instruments.

As at August 31 2015	Level 1	Level 2	Total
Financial assets at fair value			
Cash and cash equivalents	\$ 162,355	-	\$ 162,355
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Total financial assets at fair value	\$ 162,355	-	\$ 162,355

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

9. Capital Management

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:

- (a) to safeguard the Company's ability to continue as a going concern and provide returns for shareholders; and,
- (b) to facilitate the development of its core business.

The Company considers shareholders' equity as the capital of the Company.

As at August 31, 2015	
Shareholders' equity	\$ 202,322

The Company does not have any externally imposed restrictions on its capital.

10. Related Party Transactions

During the period from the date of inception on April 10, 2015 to August 31, 2015, the Company had transactions with the following company related by way of directors in common:

- Cheshire Consulting Corp. ("Cheshire"), a company with a director in common with the Company. Cheshire provides consulting services to the Company on a month – to – month basis.

10.1 Related Party Expenses

The Company's related party expenses for the period from the date of inception on April 10, 2015 to August 31, 2015 are summarized as follows:

Consulting fees	\$ 10,500
Total related party expenses	\$ 10,500

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015
(all amounts are expressed in Canadian dollars except where otherwise noted)

10.2 Due from/to Related Party

The assets and liabilities of the Company include the following amounts due to related parties for the period ended August 31, 2015 are summarized as follows:

Cheshire Consulting Corp.	\$	-
Total amount due to related party	\$	-

These transactions with the related party are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

11. Subsequent Events

- a) On September 11, 2015, a wholly-owned subsidiary named Breathtec Merger Co, Inc. (the "Subsidiary") was incorporated in the state of Florida USA and one common share valued at \$0.01 was issued to the Company.
- b) On September 11, 2015 the Company signed a merger agreement with Petro Basin Energy Corp., the Subsidiary and Breathtec Biomedical Inc., a company incorporated in the state of Florida USA ("Breathtec Florida"), whereby the Company, the Subsidiary and Breathtec Florida, are to merge and continue as one corporation incorporated in British Columbia, named "Breathtec Biomedical, Inc." by way of the following steps:
 - The Company and Breathtec Florida are to complete a share exchange on the basis of one Breathtec Florida share for one share and one half warrant of the Company. The common shares of Breathtec Florida will subsequently be cancelled.
 - Breathtec Florida and the Subsidiary will merger with Breathtec Florida as the surviving company.
 - The surviving company and the Subsidiary are to complete a share exchange on the basis of one share of the surviving company for one share of the Subsidiary.
 - The surviving company will be a wholly owned subsidiary of the Company.

BREATHTEC BIOMEDICAL INC. (FORMERLY PBA ACQUISITIONS CORP.)

Notes to the Financial Statements

For the period from inception on April 10, 2015 to August 31, 2015

(all amounts are expressed in Canadian dollars except where otherwise noted)

- c) On September 23, 2015, the Company issued 2,575,898 common shares at deemed price of \$0.016 per share for total cash proceeds of \$42,000 to the shareholders of Petro Basin Energy Corp. pursuant to the terms of an arrangement agreement between Petro Basin Energy Corp. and the Company.

- d) On October 14, 2015 the Company issued 7,101,400 units at a price of \$0.25 per unit for total proceeds of \$1,775,350. Each unit consists of one common share and one half of a common share purchase. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.40 until October 14, 2017. Total finder's fees consisted of \$120,028 in cash and 480,112 finder's warrants. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.25 until October 14, 2017.