

# PREMIER HEALTH GROUP INC.

(the “Company” or the “Issuer”)

## Form 2A LISTING STATEMENT Dated November 1, 2017

### TABLE OF CONCORDANCE

This table provides the corresponding section to page numbers between the Canadian Securities Exchange Form 2A Listing Statement and the Company’s Final Long-Form Prospectus dated February 10, 2017 (the “Prospectus”), filed under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)), a copy of which is attached hereto as SCHEDULE “I”.

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**SCHEDULE “A” – Updated Financial Information Section Prospectus Summary**

**SCHEDULE “B” - Form 2A, Section 3.1, Developments Year To Date Update**

**SCHEDULE “C” - Form 2A Section 4.1(a)-(d), Objectives, use of Funds Year To Date Update**

**SCHEDULE “D”: Form 2A Section 8.1 Consolidated Capitalization 10.7 Prior Sales**

**SCHEDULE “E” – Form 2A, Section 14, Capitalization Tables**

**SCHEDULE “F” - Form 2A, Section 16.1 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

**SCHEDULE “G”- Form 2A, Section 5.1, FINANCIAL STATEMENTS OF THE ISSUER: Audited Statements for the Year ended December 31, 2015 and 2016 and Interim Statements for the period ended June 30, 2017.**

**SCHEDULE “H”- Form 2A, Section 5.2 MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER: Audited Statements for the Year ended December 31, 2015 and 2016 and Interim Statements for the period ended June 30, 2017.**

**SCHEDULE “I” – Final Long Form Non-Offering Prospectus**

## SCHEDULE "A"

### Updated Financial Information Section Prospectus Summary

<b>Use of Available Funds</b>	<p>As of June 30, 2017, the most recent quarter end for which it has filed financial statements; the Issuers consolidated total assets were \$830,948. Working capital as at June 30, 2017 is (\$783,182). Included in current liabilities is an amount of 1,226,412 representing debt portion of a debenture not payable for a five year term but included in current liabilities because its conversion price of \$.25 per share is significantly less than financing share sales price and shown as current since it may be converted at any time into shares of the company. Excluding that amount from current liabilities since it remains either long term or converted into equity results in working capital as at June 30, 2017 of \$443,230.</p> <p>The Company has no anticipated significant capital expenses in addition to expenses of operations in the normal course of business please refer to "Use of Available Funds". To the extent that our revenues do not exceed our cash outlay with respect to our anticipated expenses for the next 12 months, we expect our working capital position to cover such shortfall without any additional debt or equity financing being required.</p>		
<b>Financial Information</b>	<p>The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements for the years ended December 31, 2016 and 2015 for the consolidated statements of and the Company and the unaudited consolidated interim financial statements as at June 30, 2016, reflecting the acquisition date of June 17, 2016 and should be read in conjunction with such financial statements and the related notes thereto, along with the "Management Discussion and Analysis" attached to Form 2A. The financial statements of PremierDR and the Company are prepared in accordance with International Financial Reporting Standards ("IFRS").</p>		
	<b>Premier Health Group Inc June 30, 2016 \$CDN</b>	<b>Premier Health Group Inc December 31, 2016 \$CDN</b>	<b>Premier Health Group Inc June 30, 2017 \$CDN</b>
ASSETS			
Cash and Equivalent	\$249,717	\$668,250	\$748,146
Total Assets	\$518,731	\$758,806	<b>\$830,948</b>
Total Liabilities			
	\$1,467,951	\$1,433,349	\$1,531,328
Shareholders' Equity	\$(949,220)	\$(674,543)	\$(700,380)

	<b>Premier Health Group Inc Consolidated <sup>(1)(2)</sup></b>	<b>Premier Health Group Inc Consolidated <sup>(1)(2)</sup></b>	<b>Premier Health Group Inc Consolidated <sup>(1)(2)</sup></b>
	<b>June 30, 2016</b>	<b>December 31, 2016</b>	<b>June 30, 2017</b>
	<b>6 Months</b>	<b>12 Months</b>	<b>6 Months</b>
	<b>\$CDN</b>	<b>\$CDN</b>	<b>\$CDN</b>
Revenue	\$24,370	\$24,370	\$159,369
Operating Expenses	\$140,250	\$140,250	\$415,290
Income for the Period	\$(2,241,449)	\$(2,305,201)	\$(25,737)
<p>(1) Consolidated statements to June 30, 2016 contains the results for PremierDR from the acquisition date, being June 17, 2016.</p> <p>(2) Income for the period includes an expense for the acquisition of PremierDR for \$2,070,734. Under advice from the Issuers auditor the acquisition price was expensed as the private company acquired didn't have the ability to repay the debt issued in payment from internal cash flow at the time of purchase although the debenture has a five year term and is convertible into equity shares of the issuer at any time.</p>			

## SCHEDULE "B"

### Form 2A, Section 3.1, Development Year To Date Update

In 2016 the company purchased a privately owned rehabilitation company in Santiago, Dominican Republic. Clinicas de Rehabilitacion is a large multidisciplinary clinic established in 2011. Since opening it has been a model to the growing rehabilitation industry in the Dominican Republic. The clinic holds contracts with all major insurance companies, providing employee health services to individuals and large corporations in the country. The clinic also services private payer and professional sports clientele (www.premiersaludrd.com). In 2016 the Clinica de Rehabilitacion was awarded a 5 year certification from the Department of Health on renewal of the previous 2 year certificate. This the highest health certification level given to a health clinic by the government.

Since the receipt of its final prospectus February 10, 2017 the company has researched and formulated an expansion plan based on the following:

1. Santiago clinic serving as "cookie cutter" model:
  - a. The executive and administration central office for the company at the Santiago location, provides centralized case management and tracking, billing, collections, accounting, payroll, advertising and public relations, and other corporate back office functions.
  - b. The proprietary Premier software systems that control these functions have been designed and are currently in operation. The objective of the plan is to provide uniformity of rehab and other services through any new clinics and permit transfer of company staff from one location to another if required, with no learning curve or orientation required.
  - c. Each clinic will provide the Premier standard treatment and assessment services in a 2,500 square foot (280 square meters) space. These new builds are roughly 50% of the size of the flagship Santiago location. Housing the head office functions requires some additional space at the Santiago location.
2. Expansion Costs
  - a. Based on internal research and customer surveys the company feels confident that gross revenues for new stand alone satellite clinics will be equivalent to those at Santiago.
  - b. The prime target area will be in the greater Santo Domingo area, the country's capital and home to 35% of the country's population. Based on the population of the Greater Santiago area of 3,813,214 it is estimated demand in that region could absorb up to three clinics.
  - c. Opening of a new clinic is estimated at an average capital investment of US\$ 250,000, including a 60 day reserve in the operating budget for working capital. Although cash is generated from insurance co-pays and private payers, the insurance companies and the ARL constitute a majority of revenue and generally remit payment on 30 to 60 day cycles.
  - d. Premier has nationwide contracts with the ARL and all major Dominican insurance companies and can dispense services at any location. Being closer to the customers should have a positive effect on business growth.

#### Rights Offering and Reporting Status

Pursuant to a rights offering issued to shareholders April 17, 2017, undertaken to add to working capital and broaden participation by current shareholders, the company 207,000 shares at an exercise price of \$1.00 per share for total consideration of \$207,000. The Company was experiencing delays in completing the audit of its Dominican Republic subsidiary for the year ended December 31, 2016 and was cease traded on May 5, 2017, three days before the May 8, 2017 expiry of the rights offering. The Company accepted rights exercised prior to the cease trade order, and subsequent to the rescission of the cease trade order on July 25, 2017, completed issuance of the shares for rights exercised. Management is satisfied after filing the quarter ended June 30, 2017 that statements will be prepared without delay to avoid deficiencies in its reporting and listing application requirements.

## SCHEDULE "C"

### Form 2A, Section 4.1, (a)-(d), Objectives, use of Funds

#### Year To Date Update

##### **Funds Available**

As of June 30, 2017, the most recent quarter end for which it has filed financial statements; the Issuers consolidated total assets were \$830,948. Working capital as at June 30, 2017 is (\$783,182). Included in current liabilities is an amount of 1,226,412 representing debt portion of a debenture not payable for a five year term but included in current liabilities because its conversion price of \$.25 per share is significantly less than the financing share sales price and shown as current since it may be converted at any time into shares of the company. Excluding that amount from current liabilities, since it remains either long term or converted into equity results in working capital as at June 30, 2017 of \$443,230.

The Issuer has negative cash flow from operating activities as of its most recently completed financial year end and for the most recent quarter end.

The following is a breakdown of the funds that will be available to the Issuer (the "Available Funds") upon completion of the Transaction and the Financing:

Source of Funds	Available Funds (\$)
Working capital of the Issuer as at June 30, 2017	\$443,230
Rights Offering Closing	\$207,000
<b>Total</b>	<b>\$650,230</b>

The consolidated financial statements of the Issuer, as of June 30, 2017, and most recent audited statements are attached as Schedule "E".

##### **Use of Available Funds**

The working capital position of the Issuer as September 30, 2016 was \$650,230.

Management anticipates applying its available funds in the following manner over the next 12 months:

Expense	Projected Expenses	Total Projected Expenses
General and Administrative		
Costs to list and maintain CSE Listing	\$50,000	
General and administrative <sup>(1)</sup>	\$75,000	
Legal and audit fees	\$50,000	
Promissory Note Interest	\$200,165	
<b>Semi Total</b>		<b>\$375,165</b>

Clinic Development Plan		
Final Implementation Plan for New Clinic(s)	\$5,000	
Documentation for Plan funding	\$20,000	
<b>Total</b>		<b>\$25,000</b>
General Working Capital		\$250,065
<b>Total</b>		<b>\$650,230</b>

**The Issuer intends to spend the net funds available to it as stated herein. However, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, a reallocation of funds is necessary in order for the Issuer to achieve its overall business objectives.**

### **Business Objectives and Milestones**

<b>Business Objectives</b>	<b>Milestones</b>	<b>Timing</b>	<b>Expenses</b>
Final Implementation Plan for New Clinic(s)	Bankable final plan for clinic expansion	<b>3 Months</b>	\$25,000
Secure Site buy or leaseholds*		<b>9 months</b>	\$150,000
Official Opening Expansion Clinic		<b>12 months</b>	\$100,000
Working Capital			<b>\$375,230</b>
Total			<b>\$650,230</b>

**\*Conventional financing is available for a property purchase or significant leasehold investment.**

In the forthcoming 12-month period the Issuer will continue to improve productivity at its location. The Issuer will seek to continue to seek new contracts for treatment revenue at its existing location capacity permitting. The required resources, regulatory approvals and capital costs to develop new locations are limited by the capability of the current operation to fund from internal operating cash flow so the issuer will proceed with a project scaled to the funds available. A bankable proposal for greater expansion is required to approach potential lenders and financiers for more rapid expansion. There can be no assurance such additional financing can be obtained.

## SCHEDULE "D"

### CONSOLIDATED CAPITALIZATION, PRIOR SALES

#### Form 2A, Section 8.1

The following table sets forth the share and loan capital of PremierDR as at the dates below. The table should be read in conjunction with and is qualified in its entirety by PremierDR's financial statements for the year ended December 31, 2016.

Description	Amount Authorized or to be Authorized	Authorized at the date of this Prospectus	Outstanding as at December 31, 2016 (audited)	Outstanding as at the date of this Listing Application (Unaudited)
Common Shares	Unlimited	Unlimited	34,737,031	34,944,031

#### Form 2A, Section 10.7

#### PRIOR SALES

The following table summarizes the sales of securities of the Issuer within the 12 months prior to the date of this Prospectus:

Effective Date	Price Per Security (\$)	Number and Type of Securities	Reason for Issuance
September 19, 2013	\$1.00	100 Common Shares	Incorporator's Shares (which were cancelled before January 7, 2014)
January 7, 2014	N/A	14,403,698 Common Shares <sup>(1) (2)</sup>	Plan of Arrangement with Proelium
July 29, 2015	\$0.02	20,000,000 Common Shares <sup>(2)</sup>	Acquisition of Shares of Moag Copper
February 1, 2016	\$1.25	200,000 Units <sup>(2) (3)</sup>	Acquisition of Shares of Centric Health Corp.
February 4, 2016	\$1.50	133,333 Units <sup>(2) (3)</sup>	Private Placement
May 4, 2017	\$1.00	207,000 Common Shares <sup>(4)</sup>	Rights Offering Subscriptions
	<b>Total:</b>	<b>34,944,031 Common Shares</b>	

(1) These common shares were issued by one treasury order as per the plan of arrangement's effective date of January 7, 2014.

(2) These securities were issued by a treasury order dated May 9, 2016.

(3) Units consisting of one Common Share and one Common Share Warrant.

(4) These securities were issued by a treasury order dated September 20, 2017.

PremierDR issued one share in January 2016 in order to comply with legal requirements which were its only issuance since incorporation bringing its issued share capital to 1,001.

## SCHEDULE "E" – FORM 2A, SECTION 14 CAPITALIZATION TABLES

### 14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

#### Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	%of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	34,944,031	35,277,364		
<hr/>				
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	23,725,000	23,925,000	67.9	67.8
<hr/>				
Total Public Float (A-B)	11,219,031	11,352,364	32.1	32.2
<hr/>				
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	21,200,000	21,200,000	60.7	60.1

Total Tradeable Float (A-C)	13,744,031	14,077,364	3.3	39.9
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Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	4	128
100 – 499 securities	14	4,215
500 – 999 securities	9	6,210
1,000 – 1,999 securities	25	29,043
2,000 – 2,999 securities	21	43,580
3,000 – 3,999 securities	33	112,180
4,000 – 4,999 securities	13	54,803
5,000 or more securities	36	12,973,872
	155	13,224,031

## Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

### **Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	5	195
100 – 499 securities	26	11,225
500 – 999 securities	29	24,263
1,000 – 1,999 securities	54	69,545
2,000 – 2,999 securities	29	68,956
3,000 – 3,999 securities	39	142,396
4,000 – 4,999 securities	16	66,251
5,000 or more securities	50	12,841,201
Unable to confirm		

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	<u>5</u>	<u>23,725,000</u>
	=====	=====

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Share purchase warrants: each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance expiring May 9, 2018.	333,333	333,333

**SCHEDULE “F”- FORM 2A, SECTION 16.1 INDEBTEDNESS OF DIRECTORS AND  
EXECUTIVE OFFICERS**

At June 30, 2017, the Company had a net income of \$247,244 (June 30, 2016 - \$2,201,937 loss) and had an accumulated deficit of \$2,096,658 (June 30, 2016 - \$2,240,654) which has been funded primarily by share subscriptions received and loans from related parties.

As at June 30, 2017, the Company had \$609,977 (December 31, 2016 - \$43,797) due from various directors and a company related to a director. This consists of \$419,728 due from the CFO and \$180,000 to a company with common Directors to be used to acquire assets. These balances are non-interest bearing and are due on demand. Pursuant to a transfer agreement the CFO of the Company transferred securities in support of advances to himself to partially secure repayment consisting of 1,093,833 shares of Aida Minerals Corp., 254,184 shares of 360 Capital Financial Services Group Inc. and 130,246 shares of Rift Valley Resources Corp all with total market value of \$111,940 based on June trading averages.

As of the date of this application the shares of Aida Minerals Corp and 360 Capital Financial Services were sold and the indebtedness to the CFO is in process of being repaid.

**SCHEDULE "G"-**

**FINANCIAL STATEMENTS OF THE ISSUER**

**Audited financial statements of the Issuer for the financial years ended December 31, 2015 and  
December 31, 2016**

**Interim (unaudited) financial statements of the Issuer for the interim period ended June 30, 2017**

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**

Consolidated Financial Statements  
(Amended and Restated )

For the Year Ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Premier Health Group Inc.:

We have audited the accompanying consolidated financial statements of Premier Health Group Inc. (the "Company") which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of comprehensive loss, changes in 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 consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian 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 judgement, including the assessment of 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 audit 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 consolidated financial statements present fairly, in all material respects, the financial position of Premier Health Group Inc. as at December 31, 2016 and 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

# BUCKLEY DODDS PARKER LLP

*Chartered Professional Accountants*

Suite 1140 - 1185 West Georgia Street  
Vancouver, B.C. Canada V6E 4E6  
Telephone: (604) **688-7227**  
Fax: (604) 681-7716

September 15, 2017

Chartered Professional Accountants

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

		December 31, 2016	December 31, 2015
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		15,610	3,197
Accounts receivable	3	44,267	1,501
Prepaid		23,129	-
Investments – available for sale	8	536,501	1
Medical supplies		4,946	-
Due from related parties	11	43,797	-
<b>Total current assets</b>		<b>668,250</b>	<b>4,699</b>
Vehicles, machinery and leasehold improvements	5	90,556	-
<b>Total Assets</b>		<b>758,806</b>	<b>4,699</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		157,153	14,293
Due to related parties	11	22,145	29,022
Revolving loans	6	5,944	-
Convertible debentures	11/14	1,218,737	-
Loan	6	29,370	-
<b>Total Liabilities</b>		<b>1,433,349</b>	<b>43,315</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	850,100	100
Reserves	7	(61,554)	(399,999)
Equity component of convertible debenture	7	880,845	-
Shares to be issued		-	400,000
Deficit		(2,343,902)	(38,717)
<b>Equity attributable to shareholders of the Company</b>		<b>(674,511)</b>	<b>(38,717)</b>
<b>Non-controlling interest</b>		<b>(32)</b>	<b>-</b>
<b>Total equity</b>		<b>(674,543)</b>	<b>(38,717)</b>
<b>Total liabilities and equity</b>		<b>758,806</b>	<b>4,699</b>
<b>Nature of operations and going concern</b>	1		
<b>Commitments</b>	13		

Approved and authorized for issuance by the Board of Directors on September 15, 2017

"Brian Peterson"

Brian Peterson, Director

"Donald Gordon"

Donald Gordon, Director

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Consolidated Statements of Comprehensive Loss**  
(Expressed in Canadian dollars)

	December 31, 2016	December 31, 2015
	\$	\$
<b>Revenue</b>	169,405	-
<b>Expenses</b>		
Advertising	10,409	-
Accretion and interest expense on convertible debt	130,993	
Bad debts expense	100,532	
Consulting fees	52,807	-
Depreciation	10,537	-
Interest and bank charges	35,227	31
Insurance	993	-
Management fees (Note 11)	27,500	-
Office and Admin (Note 11)	31,579	-
Professional fees	59,487	23,647
Regulatory fees	12,318	1,862
Rent (Note 11)	42,087	-
Repair and maintenance	8,855	-
Transfer Agent	5,307	-
Wages and related expenses	81,024	-
<b>Net loss before other items</b>	<b>(440,250)</b>	<b>(25,540)</b>
<b>Other income (expense)</b>		
Acquisition expense (Note 4)	(1,776,594)	-
Realized gain on marketable securities	22,231	-
Other expenses	(26,915)	-
Foreign exchange loss	(83,673)	-
<b>Net loss for the year</b>	<b>(2,305,201)</b>	<b>(25,540)</b>
Other comprehensive income (loss):		
Revaluation of fixed assets	33,474	-
Foreign currency translation	(279)	-
Unrealized gain (loss) on marketable securities	-	(399,999)
Other comprehensive income (loss)	33,195	(399,999)
<b>Total comprehensive loss for the year</b>	<b>(2,272,006)</b>	<b>(425,539)</b>
<b>Net loss attributable to:</b>		
<b>Shareholders of the Company</b>	<b>(2,305,185)</b>	<b>(25,540)</b>
<b>Non-controlling interest</b>	<b>(16)</b>	<b>-</b>
<b>Net loss for the year</b>	<b>(2,305,201)</b>	<b>(25,540)</b>
<b>Basic and diluted loss per common share</b>	<b>(0.10)</b>	<b>(255.40)</b>
<b>Weighted average number of common shares outstanding</b>	<b>22,398,777</b>	<b>100</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Consolidated Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	Number of Outstanding Shares	Share Capital	Reserves	Equity component of convertible	Shares to be issued	Deficit	Non- controlling interest	Total
		\$	\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2014</b>	<b>100</b>	<b>100</b>	-	-	-	<b>(13,177)</b>	-	<b>(13,077)</b>
Fair value adjustment	-	-	(399,999)	-	-	-	-	(399,999)
Shares to be issued	-	-	-	-	400,000	-	-	400,000
Net loss for the year	-	-	-	-	-	(25,540)	-	(25,540)
<b>Balance, December 31, 2015</b>	<b>100</b>	<b>100</b>	<b>(399,999)</b>	-	<b>400,000</b>	<b>(38,717)</b>	-	<b>(38,616)</b>
Shares Cancelled	(100)	-	-	-	-	-	-	-
Shares issued for Plan of Arrangement	14,403,698	-	-	-	-	-	-	-
Shares issued -Moag	20,000,000	400,000	-	-	(400,000)	-	-	-
Shares issued -CHH	200,000	250,000	-	-	-	-	-	250,000
Shares issued for Cash	133,333	200,000	-	-	-	-	-	200,000
Currency translation adjustment	-	-	(279)	-	-	-	-	(279)
Convertible note	-	-	-	880,845	-	-	(16)	880,829
Revaluation of fixed assets	-	-	33,474	-	-	-	-	33,474
Fair value adjustment	-	-	305,250	-	-	-	-	305,250
Net loss for the year	-	-	-	-	-	(2,305,185)	(16)	(2,305,201)
<b>Balance, December 31, 2016</b>	<b>34,737,031</b>	<b>850,100</b>	<b>(61,554)</b>	<b>880,845</b>	-	<b>(2,343,902)</b>	<b>(32)</b>	<b>(674,543)</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

	December 31, 2016	December 31, 2015
	\$	\$
<b>Cash provided by (used in) :</b>		
<b>Operating activities</b>		
Net loss	(2,305,201)	(25,540)
Item not involving cash		
Acquisition expense	1,776,594	-
Accretion on convertible debenture	130,993	
Amortization	10,540	-
Bad debts expense	100,531	-
Foreign exchange loss	36,906	-
	(249,637)	(25,540)
Change in non-cash working capital components:		
Accounts receivable	(30,847)	(1,126)
Prepaid	20,099	-
Medical supplies	6,477	-
Accounts payable and accrued liabilities	100,281	9,493
Due from/to related parties	(72,817)	-
<b>Net cash used in operating activities</b>	<b>(226,444)</b>	<b>(17,173)</b>
<b>Investing activities</b>		
Sale of investment	18,750	-
Cash from acquisition of Premier Clinicas de Rehabilitacion, S. R. L.	2,958	-
<b>Net cash provided by investing activities</b>	<b>21,708</b>	<b>-</b>
<b>Financing activities</b>		
Due from related party	21,904	20,370
Loan repayment	(4,755)	-
Proceeds from share issuance	200,000	-
<b>Net cash provided by financing activities</b>	<b>217,149</b>	<b>20,370</b>
<b>Increase (decrease) in cash</b>	<b>12,413</b>	<b>3,197</b>
<b>Cash, beginning</b>	<b>3,197</b>	<b>-</b>
<b>Cash, ending</b>	<b>15,610</b>	<b>3,197</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016, and 2015**  
(Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Health Group Inc. (formerly Premier Health Services Inc.) (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. was Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 440-890 W Pender Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the “Arrangement Agreement”) with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On August 27, 2015 the Company agreed to issue 20,000,000 common shares to Winston Ventures Inc. which is owned and controlled by Gary Brown, in consideration for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The number of shares exchanged reflects a ratio based on the trading value of MOG, a publicly listed company trading on the Canadian Securities Exchange. The 20,000,000 common shares amount to 58% of the total issued shares of the Company. Shares have been issued on May 9, 2016.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. (“Clinicas”). The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The address of the Company’s corporate office and place of business 440-890 W Pender Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. At December 31, 2016, the Company incurred a net loss of \$2,305,185 (2015 - \$25,540) and had an accumulated deficit of \$2,343,902 (2015 - \$38,717) which has been funded primarily by share subscriptions received and loans from related parties. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management’s control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

**Premier Health Group Inc.  
(Formerly Premier Health Services Inc.)  
Notes to the Consolidated Financial Statements  
For the year ended December 31, 2016, and 2015  
(Expressed in Canadian dollars)**

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These consolidated 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 consolidation**

The consolidated financial statements include the accounts of the Company and its 99.99% subsidiary Premier Clinicas de Rehabilitacion S. R. L., incorporated in Dominican Republic. All significant inter-company transactions and balances have been eliminated on consolidation.

**Foreign currency translation**

These consolidated financial statements are presented in Canadian dollars which is the Canadian parent company’s presentation currency and functional currency. The functional currency of Premier Clinicas de Rehabilitacion S. R. L. is the Dominican peso.

*Translation and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income.

*Translation of subsidiary results into the presentation currency*

The operating results and statements of financial position of the Company’s subsidiary are translated into the presentation currency.

**Significant accounting judgments and estimates**

The preparation of these consolidated 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.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
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(Expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Significant accounting judgments and estimates** (Continued)

Fair value of financial instruments

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

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Vehicles, machinery and leasehold improvement

The estimated useful lives and residual value of machinery and equipment are included in the statement of financial position and the related amortization is included in the statement of loss and comprehensive loss;

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's ability to carry out its business plan.

Accounts receivable

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

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 can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016, and 2015**  
(Expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Vehicles, machinery and leasehold improvements

Machinery and equipment are recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The amortization rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

Amortization on leasehold improvements is calculated on the straight-line method over the term of the respective lease agreement, which expires in 2020.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, and represents receivable amounts for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

*Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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. No options are granted at present.

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 asset is not recognized. Deferred income tax assets and liabilities are offset

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**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016, and 2015**  
(Expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred income taxes** (Continued)

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.

**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 shares outstanding are 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.

**Financial instruments**

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Marketable Securities	FVTPL
Accounts payable	Other liabilities
Due to related parties	Other liabilities
Convertible Debentures	FVTPL

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016, and 2015**  
(Expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment

i) 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 cash 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.

ii) 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).

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 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 measures net earnings for the period plus other comprehensive income. 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.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Business combination

At the time of acquisition of property, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

The cost of a business combination is measured as the aggregate of the consideration transferred at acquisition date fair value. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Company recognizes any contingent consideration to be transferred by the Company at its acquisition date fair value. Goodwill is initially measured at cost, being the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed in the period incurred.

Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which is subject to risks and rewards that are different from those of other segments. The Company considers that it has only one reportable segment, being in the business of healthcare industry.

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

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

*IFRS 15 - Revenue from contracts with customers*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

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

The following standards will be effective for annual periods beginning on or after January 1, 2019: IFRS 9 –

*Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

IFRS 16, “Leases”, was issued in January 2016, and replaces IAS 17, “Leases” (“IAS 17”). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after May 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	139,408	-
GST receivable	5,391	1,501
Allowance for doubtful account	(100,532)	-
	<b>\$ 44,267</b>	<b>\$ 1,501</b>

An allowance for doubtful accounts of \$100,532 has been provided against these accounts receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

**4. BUSINESS ACQUISITION**

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CAD (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

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**4. BUSINESS ACQUISITION (Continued)**

The total purchase price of \$1,931,700 was allocated to the fair value of the net assets of Premier Clinicas de Rehabilitacion, S. R. L. as follows:

Cash	\$	2,958
Receivables		111,496
Medical supplies		11,315
Prepaid		42,772
Leasehold improvements		12,128
Vehicles, machineries, and equipment		55,484
Accounts payable and accrued liabilities		(41,550)
Revolving loans		(5,851)
Bank loan		(33,646)
Acquisition expense		1,776,594
Purchase price – fair value	\$	1,931,700

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The following table summarizes Premier Clinicas de Rehabilitacion S. R. L. revenue, expenses and net income.

	<b>For the year ended December 31, 2016</b>
Revenue	\$ 349,135
Expenses	(519,285)
Net loss	\$ (170,150)

	<b>From the date of acquisition to December 31, 2016</b>
Revenue	\$ 169,405
Expenses	(330,704)
Net income	\$ (161,299)

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**5. VEHICLES, MACHINERY AND LEASEHOLD IMPROVEMENTS**

	Office furniture	Machinery and equipment	Vehicle	Leasehold improve- ments	Total
<b>Cost</b>					
Acquisition date, June 17, 2016	\$ 66,633	\$ 47,892	\$ 53,704	\$ 13,352	\$ 181,581
Additions or disposals	-	33,474	-	-	33,474
Balance at December 31, 2016	66,633	81,366	53,704	13,352	215,055
<b>Accumulated amortization</b>					
Acquisition date, June 17, 2016	\$ 56,146	\$ 29,601	\$ 26,993	\$ 1,222	\$ 113,962
Amortization for the year	1,419	4,195	3,614	1,309	10,537
Balance at December 31, 2016	57,565	33,796	30,607	2,531	124,499

**6. LOANS**

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at December 31, 2016, the Company owes \$5,944.

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at December 31, 2016, the Company owes \$29,370. The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

**7. SHARE CAPITAL**

(a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”).

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

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**7. SHARE CAPITAL (continued)**

(a) Share Purchase Warrants

The continuity of warrants for the period ended December 31, 2016 is as follows:

Expiry Date	Exercise Price	December 30, 2015	Issued	Exercised	Expired/ Cancelled	December 31 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

As at December 31, 2016, the Company had 333,333 warrants exercisable into one common share of the Company for \$1.5 per share until May 9, 2018 with an expected weighted average remaining contractual life of 1.35 years

(b) Escrow Shares

As at December 31, 2016, the Company has 21,200,000 common shares held in escrow

(c) 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. As at December 31, 2016, no options were granted or outstanding.

(d) Reserves:

Reserves comprise the fair value of marketable securities and cumulative unrealized gains and losses on foreign exchange.

The following is a summary of changes in reserves from December 31, 2015 to December 31, 2016:

	Capital adjustment reserve	Unrealized foreign gain (loss)	Fixed assets	Total
	\$	\$	\$	\$
December 31, 2015	(399,999)			(399,999)
Unrealized gain (loss) on marketable securities	305,250			305,250
Cumulative translation adjustment		(279)		(279)
Revaluation of fixed assets			33,474	33,474
<b>Total</b>	<b>(94,749)</b>	<b>(279)</b>	<b>33,474</b>	<b>(61,554)</b>

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**(Formerly Premier Health Services Inc.)**  
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**8. AVAILABLE FOR SALE INVESTMENTS**

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired from with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, in exchange for 20,000,000 common shares of the Company. The Company considers these investments to be strategic in nature. Fair values of these shares are determined by reference to published price quotations in an active market.

MOG shares were under ceased trading order at period end, and therefore, management of the Company took a conservative approach in valuing the investments in MOG shares at year end to \$1. Management is confident that the cease trading order of MOG will be lifted in the foreseeable future and expects the fair value of MOG will be higher than its current value.

On May 9, 2016, the Company acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX for 200,000 units in consideration. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

Total Marketable Securities:

	Cost	Realized gain (loss)	Unrealized gain (loss)	Capital Adjustment reserve	Market value*
	\$				\$
December 31, 2016					
MOG	400,000	-	-	(399,999)	1
CHH	250,000	22,231	305,250	-	550,481
Total	650,000	22,231	305,250	(399,999)	550,482
December 31, 2015					
MOG	400,000	-	-	(399,999)	1
Total	400,000	-	-	(399,999)	1

**9. CAPITAL DISCLOSURES**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders’ equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

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**10. FINANCIAL INSTRUMENTS**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of December 31, 2016, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had \$1,629 cash and current liabilities of \$145,448.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income.

**11. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
CFO fees	\$ 27,500	\$ Nil
Administration fees paid to a Company owned by the CFO	5,500	Nil
Rent paid to a Company owned by the CFO	5,500	Nil

Management fees of \$27,500 (2015 - \$nil), administration fees of 5,500 (2015 - \$Nil) and rent fees of \$5,500 (2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at December 31, 2016, the Company had \$43,797 due from a director and a company related to a director (2015- Payable (\$29,022)). These balances are non-interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the

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(Expressed in Canadian dollars)

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**11. RELATED PARTY TRANSACTIONS (continued)**

Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of December 31, 2016 is \$2,099,582 CND.

As of December 31, 2016, the Company had \$22,145 owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

**12. SEGMENTED INFORMATION**

The Company operates in one industry, the healthcare industry, which are located in Canada and Dominican Republic. Total assets and the net loss were segmented geographically as follows:

As at December 31, 2016	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	600,899	157,907	758,806

As at December 31, 2015	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	4,699	-	4,699

	Canada	Dominica Republic	Total
	\$	\$	\$
Net loss for the year ended December 31, 2016	2,143,902	161,299	2,305,201

	Canada	Dominica Republic	Total
	\$	\$	\$
Net loss for the year ended December 31, 2015	25,540	-	25,540

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2016, and 2015**  
(Expressed in Canadian dollars)

**13. COMMITMENTS**

As described in Note 1, the Company and Web Watcher entered into the Arrangement Agreement on October 23, 2013 to conduct a corporate restructuring to transfer Web Watcher's interest in the TKDN LOI to the Company. As consideration, the Company will issue 14,403,698 common shares to shareholders of Web Watcher. The Arrangement Agreement was approved by Web Watcher's shareholders on December 19, 2013 and by the Supreme Court of British Columbia on January 7, 2014. On May 9, 2016, the 14,403,698 common shares have been issued and the TKDN LOI had been cancelled.

**14. CONVERTIBLE DEBENTURES**

The Debentures have a face value of \$1,931,700 which matures on June 21, 2021 (the "Maturity Date"). The Debentures accrue interest at a rate of 8.5% per annum, calculated and paid annually. At the option of the Debenture holder, the Debentures shall be convertible at any time prior to the Maturity Date in whole into common shares of the Company at a price of \$0.25 per common share.

On issuance, \$880,845, attributed to the equity conversion features of the Debenture was classified as an equity component of the convertible debenture. The debt component will be accreted systematically to its face value over the term of the note by the recording of additional interest expense. \$130,993 accretion was recorded as expense for the year ended December 31, 2016.

The \$1,050,855, debt component of the Debentures is calculated as the present value of the debt and required interest payments are discounted at a rate of 26.6% approximating the interest rate that would have been applicable to convertible debentures issued by similar size competitors in the same industry at the time the debentures were issued.

**15. INCOME TAX**

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

	2016	2015
Loss for the year	\$ (2,305,201)	(25,540)
Computed income taxes (recovery) at statutory rate of 26% (2015 – 26%)	\$ (599,352)	(6,640)
Effective of taxes in foreign jurisdiction	(1,614)	-
Net adjustments for deductible and non-deductible items	523,700	-
Taxable capital gain	2,958	-
Increase in unrecognized deferred income tax assets	74,308	6,640
	\$ -	-

The significant components of the Company's deferred income tax assets are as follows:

	2016	2015
Deferred income tax assets:		
Non-capital losses carried forward	\$ 84,667	10,066
Unrealized gain on marketable securities	(39,683)	-
Total unrecognized deferred income tax assets	\$ 44,984	10,066

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**(Formerly Premier Health Services Inc.)**  
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**15. INCOME TAX (continued)**

At December 31, 2016, the Company has non-capital losses of \$325,640 (2015: \$38,717) in its Canadian operations and \$nil (2015: \$nil) in its Dominican Republic operations available for carry forward. At December 31, 2016, management considers that it is not “more likely than not” that these losses will be utilized and accordingly no deferred income tax asset has been recognized.

The non-capital losses expire as follows:

	Total
2034	13,177
2035	25,540
2036	286,923
Totals	\$325,640

**16. SUBSEQUENT EVENT NOTE**

Pursuant to a Rights Offering Circular dated April 7, 2017 the Company issued to the holders of all outstanding common shares of record at the close of business on April 7, 2017 (the “Record Date”) and who are resident in a province or territory of Canada (the “Eligible Jurisdictions”), rights to subscribe for common shares of the Company (“Shares”).

Each Right entitles the holder to subscribe for one (1) Share at a price of \$1.00 per share. The Rights are transferable. The maximum number of shares issuable on exercise of the rights is 34,737,031 - the issued and outstanding as at the record date. No minimum subscription is required.

As of May 5, 2017 the Company was cease traded for failure to file audited statements for the year ended December 31, 2016 and had received rights subscriptions for 207,000 shares representing \$207,000 as of that date. The cease trade order was revoked July 25, 2017 and the issuance of shares pursuant to the rights offering is planned for September 20, 2017.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**

Condensed Consolidated Interim Financial Statements  
(Unaudited)

For the six month period ended June, 2017 and 2016

(Expressed in Canadian dollars)

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**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Expressed in Canadian dollars – unaudited)

		<b>June 30, 2017</b>	<b>December 31, 2016</b>
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		36,423	15,610
Accounts receivable	3	45,635	44,267
Prepaid		6,582	23,129
Investments – available for sale	8	46,901	536,501
Medical supplies		2,628	4,946
Due from related parties	11	609,977	43,797
<b>Total current assets</b>		<b>748,146</b>	<b>668,250</b>
Vehicles, machinery and leasehold improvements	5	82,802	90,556
<b>Total Assets</b>		<b>830,948</b>	<b>758,806</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		226,657	157,153
Due to related parties	11	54,032	22,145
Revolving loans	6	-	5,944
Convertible debentures	11/14	1,226,412	1,218,737
Loan	6	24,227	29,370
<b>Total Liabilities</b>		<b>1,531,328</b>	<b>1,433,349</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	850,100	850,100
Reserves	7	(334,630)	(61,554)
Equity component of convertible debenture	7	880,845	880,845
Shares to be issued	7		-
Deficit		(2,096,658)	(2,343,902)
<b>Equity attributable to shareholders of the Company</b>		<b>(700,343)</b>	<b>(674,511)</b>
<b>Non-controlling interest</b>		<b>(37)</b>	<b>(32)</b>
<b>Total equity</b>		<b>(700,380)</b>	<b>(674,543)</b>
<b>Total liabilities and equity</b>		<b>830,948</b>	<b>758,806</b>
<b>Nature of operations and going concern</b>	1		
<b>Commitments</b>	13		

Approved and authorized for issuance by the Board of Directors on August 25, 2017

“Brian Peterson”  
Brian Peterson, Director

“Donald Gordon”  
Donald Gordon, Director

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

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Comprehensive Loss**  
(Expressed in Canadian dollars - unaudited)

	For the three-Month Period Ended		For the six-Month Period Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	\$	\$	\$	\$
<b>Revenue</b>	(86,618)	(24,370)	(159,369)	(24,370)
<b>Expenses</b>				
Advertising	5,160	1,398	12,140	1,398
Accretion and interest expense				
on convertible	76,259	-	150,685	-
Consulting fees	26,057	25,219	34,953	31,219
Depreciation	4,119	-	8,395	-
Interest and bank charges	5,842	9,566	11,189	9,719
Insurance	1,805	185	2,755	185
Management fees (Note 12)	7,500	7,500	15,000	12,500
Office and Admin (Note 12)	15,603	7,444	31,508	8,444
Professional fees	6,332	20,938	14,243	55,321
Regulatory fees	4,618	4,957	4,728	5,287
Rent (Note 12)	21,432	2,929	42,929	3,929
Repair and maintenance	3,703	527	8,301	527
Transfer Agent	-	5,307	-	5,307
Wages and related expenses	41,245	6,414	78,464	6,414
<b>Net loss before other items</b>	133,057	68,014	255,921	115,880
<b>Other income (expense)</b>				
Acquisition expense (Note 4)	-	(2,070,734)	-	(2,070,734)
Realized gain on marketable				
Securities	107,970	-	445,410	-
Other income (expense)	8,161	-	(1,245)	-
Foreign exchange gain (loss)	39,238	(15,323)	58,995	(15,323)
<b>Net income (loss) for the period</b>	22,312	(2,154,071)	247,239	(2,201,937)
Other comprehensive loss:				
Foreign currency translation	590	488	2,024	488
Unrealized gain (loss) on				
marketable securities	(99,450)	(40,000)	(275,000)	(40,000)
	(98,860)	(39,512)	(272,976)	(39,512)
<b>Total comprehensive loss for the period</b>	(76,548)	(2,193,583)	(25,737)	(2,241,449)
<b>Basic and diluted loss per common share</b>	(0.002)	(0.06)	(0.00)	(0.13)
<b>Weighted average number of common shares outstanding</b>	34,737,031	33,910,857	34,737,031	16,955,428

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

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	Number of Outstanding Shares	Share Capital	Reserves	Equity component of convertible	Shares to be issued	Deficit	Non- controlling interest	Total
		\$	\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2014</b>	<b>100</b>	<b>100</b>	-	-	-	<b>(13,177)</b>	-	<b>(13,077)</b>
Fair value adjustment	-	-	(399,999)	-	-	-	-	(399,999)
Shares to be issued	-	-	-	-	400,000	-	-	400,000
Net loss for the year	-	-	-	-	-	(25,540)	-	(25,540)
<b>Balance, December 31, 2015</b>	<b>100</b>	<b>100</b>	<b>(399,999)</b>	-	<b>400,000</b>	<b>(38,717)</b>	-	<b>(38,616)</b>
Shares Cancelled	(100)	-	-	-	-	-	-	-
Shares issued for Plan of Arrangement	14,403,698	-	-	-	-	-	-	-
Shares issued -Moag	20,000,000	400,000	-	-	(400,000)	-	-	-
Shares issued -CHH	200,000	250,000	-	-	-	-	-	250,000
Shares issued for Cash	133,333	200,000	-	-	-	-	-	200,000
Currency translation adjustment	-	-	(279)	-	-	-	-	(279)
Convertible note	-	-	-	880,845	-	-	(16)	880,829
Revaluation of fixed assets	-	-	33,474	-	-	-	-	33,474
Fair value adjustment	-	-	305,250	-	-	-	-	305,250
Net loss for the year	-	-	-	-	-	(2,305,185)	(16)	(2,305,201)
<b>Balance, December 31, 2016</b>	<b>34,737,031</b>	<b>850,100</b>	<b>(61,554)</b>	<b>880,845</b>	-	<b>(2,343,902)</b>	<b>(32)</b>	<b>(674,543)</b>
Fair value adjustment	-	-	(275,100)	-	-	-	-	(275,100)
Currency translation adjustment	-	-	2,024	-	-	-	-	2,024
Net loss for the period	-	-	-	-	-	247,244	(5)	247,239
<b>Balance, June 30, 2017</b>	<b>34,737,031</b>	<b>850,100</b>	<b>(334,630)</b>	<b>880,845</b>	-	<b>(2,096,658)</b>	<b>(37)</b>	<b>(700,380)</b>

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

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian dollars)

For the Six-Month Period Ended	June 30, 2017	June 30, 2016
	\$	\$
<b>Cash provided by (used in) :</b>		
<b>Operating activities</b>		
Net income (loss) for the period	247,239	(2,201,937)
Item not involving cash		
Accretion on convertible debenture	150,685	6,317
Amortization	8,395	-
Acquisition expense	-	2,070,734
Foreign exchange gain	(59,333)	6,338
	<u>346,986</u>	<u>(118,548)</u>
Change in non-cash working capital components:		
Accounts receivable	(2,455)	(3,003)
Medical supplies	2,218	-
Prepaid expense	16,178	-
Accounts payable and accrued liabilities	(12,553)	15,426
Due from/to related parties	(566,180)	(60,314)
	<u>(215,806)</u>	<u>(166,439)</u>
<b>Investing activities</b>		
Sale of investment	214,500	-
Equipment	(641)	-
Cash from acquisition of Premier Clinicas de Rehabilitacion, S.R.	-	2,958
	<u>213,859</u>	<u>2,958</u>
<b>Financing activities</b>		
Due from related party	33,045	-
Loan repayment	(10,285)	-
Share subscriptions	-	200,000
	<u>22,760</u>	<u>200,000</u>
<b>Increase (decrease) in cash</b>	<b>20,813</b>	<b>36,519</b>
<b>Cash, beginning</b>	<b>15,610</b>	<b>3,197</b>
<b>Cash, ending</b>	<b>36,423</b>	<b>39,716</b>

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

**Premier Health Group Inc.**  
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**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Six Month period ended June 30, 2017**  
(Expressed in Canadian dollars – unaudited)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Health Group Inc. (formerly Premier Health Services Inc.) (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. was Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 440-890 W Pender Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the “Arrangement Agreement”) with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On August 27, 2015 the Company agreed to issue 20,000,000 common shares to Winston Ventures Inc. which is owned and controlled by Gary Brown, in consideration for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The number of shares exchanged reflects a ratio based on the trading value of MOG, a publicly listed company trading on the Canadian Securities Exchange. The 20,000,000 common shares amount to 58% of the total issued shares of the Company. Shares have been issued on May 9, 2016.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. (“Clinicas”). The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The address of the Company’s corporate office and place of business 440-890 W Pender Street, Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. At June 30, 2017, the Company had a net income of \$247,244 (June 30, 2016 - \$2,201,937 loss) and had an accumulated deficit of \$2,096,658 (June 30, 2016 - \$2,240,654) which has been funded primarily by share subscriptions received and loans from related parties. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management’s control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

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**(Formerly Premier Health Services Inc.)**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
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(Expressed in Canadian dollars – unaudited)

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These condensed consolidated interim 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 consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its 99.99% subsidiary Premier Clinicas de Rehabilitacion S. R. L., incorporated in Dominican Republic. All significant inter-company transactions and balances have been eliminated on consolidation.

**Foreign currency translation**

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Canadian parent company’s presentation currency and functional currency. The functional currency of Premier Clinicas de Rehabilitacion S. R. L. is the Dominican peso.

*Translation and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income.

*Translation of subsidiary results into the presentation currency*

The operating results and statements of financial position of the Company’s subsidiary are translated into the presentation currency.

**Significant accounting judgments and estimates**

The preparation of these condensed consolidated interim 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.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Significant accounting judgments and estimates** (Continued)

Fair value of financial instruments

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

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Vehicles, machinery and leasehold improvement

The estimated useful lives and residual value of machinery and equipment are included in the statement of financial position and the related amortization is included in the statement of loss and comprehensive loss;

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

Going concern

The assessment of the Company's ability to continue as a going concern involves management judgment about the Company's ability to carry out its business plan.

Accounts receivable

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

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 can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Vehicles, machinery and leasehold improvements

Machinery and equipment are recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The amortization rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

Amortization on leasehold improvements is calculated on the straight-line method over the term of the respective lease agreement, which expires in 2020.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, and represents receivable amounts for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

*Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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. No options are granted at present.

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 asset is not recognized. Deferred income tax assets and liabilities are offset

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred income taxes** (Continued)

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.

**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 shares outstanding are 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.

**Financial instruments**

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss (“FVTPL”), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Marketable Securities	FVTPL
Accounts payable	Other liabilities
Due to related parties	Other liabilities
Convertible Debentures	FVTPL

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment

i) 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 cash 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.

ii) 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).

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 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 measures net earnings for the period plus other comprehensive income. 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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Business combination

At the time of acquisition of property, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

The cost of a business combination is measured as the aggregate of the consideration transferred at acquisition date fair value. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Company recognizes any contingent consideration to be transferred by the Company at its acquisition date fair value. Goodwill is initially measured at cost, being the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed in the period incurred.

Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which is subject to risks and rewards that are different from those of other segments. The Company considers that it has only one reportable segment, being in the business of healthcare industry.

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

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

*IFRS 15 - Revenue from contracts with customers*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

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

The following standards will be effective for annual periods beginning on or after January 1, 2019: IFRS 9 –

*Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

IFRS 16, “Leases”, was issued in January 2016, and replaces IAS 17, “Leases” (“IAS 17”). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after May 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	139,369	139,408
GST receivable	6,798	5,391
Allowance for doubtful account	(100,532)	(100,532)
	<b>\$ 45,635</b>	<b>\$ 44,267</b>

An allowance for doubtful accounts of \$100,532 has been provided against these accounts receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

**4. BUSINESS ACQUISITION**

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

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**4. BUSINESS ACQUISITION (Continued)**

The total purchase price of \$1,931,700 was allocated to the fair value of the net assets of Premier Clinicas de Rehabilitacion, S. R. L. as follows:

Cash	\$	2,958
Receivables		111,496
Medical supplies		11,315
Prepaid		42,772
Leasehold improvements		12,128
Vehicles, machineries, and equipment		55,484
Accounts payable and accrued liabilities		(41,550)
Revolving loans		(5,851)
Bank loan		(33,646)
Acquisition expense		1,776,594
Purchase price – fair value	\$	1,931,700

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The following table summarizes Premier Clinicas de Rehabilitacion S. R. L. revenue, expenses and net income.

	<b>For the period from January 1 to June 30, 2017</b>	
Revenue	\$	159,369
Expenses		(202,264)
Net loss	\$	(42,895)

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**Premier Health Group Inc.**  
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**5. VEHICLES, MACHINERY AND LEASEHOLD IMPROVEMENTS**

	Office furniture	Machinery and equipment	Vehicle	Leasehold improvements	Total
<b>Cost</b>					
Balance at December 31, 2016	\$ 66,633	\$ 81,366	\$ 53,704	\$ 13,352	\$ 215,055
Additions or disposals	-	641	-	-	641
Balance at June 30, 2017	66,633	82,007	53,704	13,352	215,696
<b>Accumulated amortization</b>					
Balance at December 31, 2016	\$ 57,565	\$ 33,796	\$ 30,607	\$ 2,531	\$ 124,499
Amortization for the period	1,089	3,484	2,775	1,047	8,395
Balance at June 30, 2017	58,654	37,280	33,382	3,578	132,894

**6. LOANS**

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at June 30, 2017, the Company owes \$nil (December 31, 2016-\$5,944).

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at June 30, 2017, the Company owes \$24,227 (December 31, 2016 - \$29,370). The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

**7. SHARE CAPITAL**

(a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”).

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
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**7. SHARE CAPITAL (continued)**

(a) Share Purchase Warrants

The continuity of warrants for the period ended June 30, 2017 is as follows:

Expiry Date	Exercise Price	December 30, 2016	Issued	Exercised	Expired/Cancelled	June 30, 2017
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

As at June 30, 2017, the Company had 333,333 warrants exercisable into one common share of the Company for \$1.5 per share until May 9, 2018 with an expected weighted average remaining contractual life of 0.86 years

(b) Escrow Shares

As at June 30, 2017, the Company has 21,200,000 common shares held in escrow

(c) 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. As at June 30, 2017, no options were granted or outstanding.

(d) Rights Offering Subscriptions:

The Company commenced a rights offering April 17, 2017 issuing each registered shareholder of record on April 7, 2017 the right to purchase one share of the Company for each share held at an exercise price of \$1.00 per share. The rights were transferable and the offering expired May 8, 2017. As of May 5, 2017 the Company was cease traded for failure to file audited statements for the year ended December 31, 2016 and had received rights subscriptions for 207,000 shares representing \$207,000 as of that date. The cease trade order was revoked July 25, 2017 and no shares have yet been issued to finally close the rights offering.

(e) Reserves:

Reserves comprise the fair value of marketable securities and cumulative unrealized gains and losses on foreign exchange.

The following is a summary of changes in reserves from December 31, 2016 to June 30, 2017:

	Capital adjustment reserve	Unrealized foreign gain (loss)	Fixed assets	Total
December 31, 2016	\$ (94,749)	\$ (279)	\$ 33,474	\$ (61,554)
Unrealized gain (loss) on marketable securities	(275,100)			(275,100)
Cumulative translation adjustment		2,024		2,024
Total	(369,849)	1,745	33,474	(334,630)

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**8. AVAILABLE FOR SALE INVESTMENTS**

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired from with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, in exchange for 20,000,000 common shares of the Company. The Company considers these investments to be strategic in nature. Fair values of these shares are determined by reference to published price quotations in an active market.

MOG shares were under ceased trading order at period end, and therefore, management of the Company took a conservative approach in valuing the investments in MOG shares at year end to \$1. Management is confident that the cease trading order of MOG will be lifted in the foreseeable future and expects the fair value of MOG will be higher than its current value.

On May 9, 2016, the Company acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX for 200,000 units in consideration. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

Total Marketable Securities:

June 30, 2017	Cost	Realized gain (loss)	Unrealized gain (loss)	Capital Adjustment reserve	Market value*
	\$				\$
June 30, 2017					
MOG	400,000	-	-	(399,999)	1
CHH	250,000	445,410	(275,100)	-	46,900
<b>Total</b>	<b>650,000</b>	<b>445,410</b>	<b>(275,100)</b>	<b>(399,999)</b>	<b>46,901</b>
December 31, 2016					
MOG	400,000	-	-	(399,999)	1
CHH	250,000	22,231	305,250	-	550,481
<b>Total</b>	<b>650,000</b>	<b>22,231</b>	<b>305,250</b>	<b>(399,999)</b>	<b>550,482</b>

**9. CAPITAL DISCLOSURES**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders’ equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

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**10. FINANCIAL INSTRUMENTS**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of June 30, 2017, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

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 June, 2017, the Company had \$36,423 cash and current liabilities of \$1,531,328.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income.

**11. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
CFO fees	\$ 15,000	\$ 12,500
Legal fees paid to a Company owned by the CFO	3,000	Nil
Administration fees paid to a Company owned by the CFO	3,000	2,500
Rent paid to a Company owned by the CFO	3,750	2,500

As at June 30, 2017, the Company had \$609,977 (December 31, 2016 - \$43,797) due from various directors and a company related to a director. This consists of \$419,728 due from the CFO and \$180,000 to a company with common Directors to be used to acquire assets. These balances are non-interest bearing and are due on demand. Pursuant to a transfer agreement the CFO of the Company transferred securities in support of advances to himself to partially secure repayment consisting of 1,093,833 shares of Aida Minerals Corp., 254,184 shares of 360 Capital Financial Services Group Inc. and 130,246 shares of Rift Valley Resources Corp all with total market value of \$111,940 based on June trading averages.

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**11. RELATED PARTY TRANSACTIONS (continued)**

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of June 30, 2017 is \$2,107,257 (December 31, 2016 - \$2,099,582 CND).

As of June 30, 2017, the Company had \$54,032 (December 31, 2016 - \$22,145) owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

**12. SEGMENTED INFORMATION**

The Company operates in one industry, the healthcare industry, which are located in Canada and Dominican Republic. Total assets and the net loss were segmented geographically as follows:

As at June 30, 2017	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	698,742	132,206	830,948

As at December 31, 2016	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	600,899	157,907	758,806

	Canada	Dominica Republic	Total
	\$	\$	\$
Net income (loss) for the period ended June 30, 2017	290,134	(42,895)	247,239

	Canada	Dominica Republic	Total
	\$	\$	\$
Net income (loss) for the period ended June 30, 2016	(2,210,922)	8,985	(2,201,937)

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to March 30, 2022, which authorized the Company to operate as a rehabilitation clinic.

**Premier Health Group Inc.**  
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(Expressed in Canadian dollars – unaudited)

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**13. COMMITMENTS**

As described in Note 1, the Company and Web Watcher entered into the Arrangement Agreement on October 23, 2013 to conduct a corporate restructuring to transfer Web Watcher's interest in the TKDN LOI to the Company. As consideration, the Company will issue 14,403,698 common shares to shareholders of Web Watcher. The Arrangement Agreement was approved by Web Watcher's shareholders on December 19, 2013 and by the Supreme Court of British Columbia on January 7, 2014. On May 9, 2016, the 14,403,698 common shares have been issued and the TKDN LOI had been cancelled.

**14. CONVERTIBLE DEBENTURES**

The Debentures have a face value of \$1,931,700 which matures on June 21, 2021 (the "Maturity Date"). The Debentures accrue interest at a rate of 8.5% per annum, calculated and paid annually. At the option of the Debenture holder, the Debentures shall be convertible at any time prior to the Maturity Date in whole into common shares of the Company at a price of \$0.25 per common share.

On issuance, \$880,845, attributed to the equity conversion features of the Debenture was classified as an equity component of the convertible debenture. The debt component will be accreted systematically to its face value over the term of the note by the recording of additional interest expense \$150,685 (June 30, 2016 - \$nil) accretion was recorded as expense for the period ended June 30, 2017.

The \$1,050,855, debt component of the Debentures is calculated as the present value of the debt and required interest payments are discounted at a rate of 26.6% approximating the interest rate that would have been applicable to convertible debentures issued by similar size competitors in the same industry at the time the debentures were issued.

**SCHEDULE “H”**

**MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER**

**MDA of the Issuer for the Financial years ended December 31, 2015 and December 31, 2016**

**MDA of the Issuer for the Interim period ended June 30, 2017**

**Premier Health Group Inc.**

MANAGEMENT DISCUSSION AND ANALYSIS  
(Amended and Restated)

For the year ended December 31, 2016

(Stated in Canadian Dollars)

Premier Health Group Inc.  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016

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## **INTRODUCTION**

### **General**

The Company was incorporated on September 13, 2013 under the Business Corporations Act (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. ("Web Watcher"). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the "Arrangement").

Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On July 9, 2015, the Company changed its name to Premier Health Services Inc. and on September 18, 2015 changed to its current name Premier Health Group Inc.

The Issuer acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX in consideration for 200,000 units for investment purposes, each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

Our head office, registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9

### **Basis of Discussion & Analysis**

This management's discussion and analysis ("MD&A") is dated as of September 15, 2017 and should be read in conjunction with the Company's annual audited consolidated financial statements for the years end December 31, 2016 and 2015, and the related notes thereto. The audited consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as

issued by the International Standards Board ("IASB"). All dollar amounts are in Canadian dollars, unless otherwise indicated.

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **THE COMPANY AND BUSINESS**

### **Background**

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR became a 99.99% owned subsidiary of Premier Health Group Inc., ("Premier Group") effective June 17, 2016, and the business of PremierDR has become the business of the Premier Group.

### **The Dominican Republic**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

### **The Dominican Republic**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti. The DR economy is the largest in the Caribbean and Central America. It is an upper-middle-income country, reliant on the service sector. The most prominent economic activities are tourism, retail, manufacturing and financial services. The government is encouraging foreign investment and working to position the DR as the primary destination in the Caribbean for foreign investors. To comply with the laws for foreign ownership the Company had to ensure at least one share was held by a DR citizen and the acquisition required approval by federal government officials in Canada and the DR. There are no major restrictions on foreign investment, and investors can repatriate their profits and capital subject to a labour law making it mandatory to share a portion of the company's profits with employees (discussed further below).

The Canada Export Corporation's Spring 2016 Report, states the DR has a population of approximately 10.4 million and with GDP at US\$66 billion, the DR is not only the largest economy in the Caribbean and Central America, but has one of the highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors. Historically, the United States is the largest investor, followed by Canada and Spain. The largest single investment of US\$4 billion was made by Canada's Barrick Gold and Gold Corp, in the DR's Pueblo Viejo mining project, demonstrating that opportunities for Canadian business to operate in the DR are being actively pursued.

The government of the DR recognized the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), and it has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

The federal authority that regulates the Issuer's industry sector is the Ministry of Public Health and Social Assistance. Importantly for Premier DR, among the enabling legislation for business are the strengthening and reorganization of the government worker's compensation scheme ("ARL") (Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million. These motorcycles account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world.

The experience and research of other major investors in the Dominican Republic provide information as to the any possible risks related to restriction on investment in the country. The U.S. is a significant investor in the DR, and the U.S. Department of State in its 2016 Investment Climate Statements stated that under Foreign Investment Law (No. 16- 95), unlimited foreign investment is permitted in all sectors, with the exception of activities negatively impacting public health and the environment; and the production of materials and equipment directly linked to national security unless authorized by the President.

The legal system of the Dominican Republic is civil law. On October 23, 2007, Decree No. 610- 07 placed DICOEX – the Directorate of Foreign Commerce of the then-Secretariat of State for Industry and Commerce –governs the enforcement of arbitration awards, arbitral agreements, and arbitration proceedings in the Dominican Republic all of which are available to foreign entities. There are no requirements that foreign equity be reduced over time or that technology be transferred according to defined terms. The government imposes no significant conditions on foreign investors concerning location, local content, foreign exchange or export requirements.

The Dominican Republic's labor code establishes that 80 percent of the labor force of a foreign or national company, including free trade zone companies, be composed of Dominican nationals (although the management or administrative staff of a foreign company is exempt from this regulation). Employers must share 10% of their annual pretax profits, if any, with their employees. However, the Labor Code allows employers to cap profit sharing as follows:

- An employee with less than three years on the job will receive 45 days' salary.
- An employee with three years or more years, 60 days' salary.

## **Premier DR**

When the new government initiatives (discussed above) came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury. After the founding and exit from health clinic company Alegro Health Corp. (Now Centric Health Corp. CHH: TSX), Brenda Rasmussen became aware of health care and rehabilitation opportunities in the DR which lead to the opening of the first rehabilitation clinic in 2011. The clinic is located in Santiago, the country's second largest city, with a population of 1,200,000. PremierDR operates from a leased 6,000 sq. ft. facility with 21 staff and holds nation-wide contracts from the ARL and major Dominican insurance companies.

PremierDR operates the country's sole multidisciplinary rehabilitation facility. The therapies and programs provided by PremierDR are based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists. Primary fields of specialization are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The clinic employs 7 physiotherapists, 1 occupational therapist, and 2 doctors. In addition, there is 11 managerial and administrative staff for a total of 21 employees.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use with growth of customer volume.

PremierDR's key competitors are hospital physiotherapy departments and a small number of sole practitioner treatment centres. Currently PremierDR is the sole multidisciplinary rehabilitation clinic in the DR, using North American treatment methodologies, equipment and technology. In addition,

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For the Year Ended December 31, 2016

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PremierDR works in close consultation with the government workers compensation agency in regard to setting care standards.

## **Customer Base and Payment Schedules**

In addition to the ARL contract which covers the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. PremierDR also has nation-wide contracts with private insurers such as the major auto insurers.

PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full on claim processing for the services provided. Private (non-insured) patients pay for treatment 100% in cash. Secondly, auto and health insurance hospitals or local sole operator companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Finally, co-pay and private payer patients are paying all or part in cash. Although the cost to self-pay patients of their treatment at PremierDR may be higher than at local hospitals and sole practitioner offices, the company maintains state of the art service facilities and outcomes as its distinctive competitive advantage.

The volume of private payers is a significant contributor to revenue which reduces the dependency on insurance contracts to some extent, as there is a large enough cohort of affluent individuals in the DR to maintain the private payer contribution to revenue.

## **Agreements**

A Health Services Agreement was entered into with ARS Monumental S.A., on March 31, 2011 to provide health services and supplies covered by the Government's Basic Health Plan, workers compensation plans and permitted supplemental plans, in addition to services that are not covered by these plans but are still approved by the social services agency for coverage. This agreement is automatically renewable annually and remains current.

A Health Services Agreement was entered into with the Dominican Social Insurance Agency, on May 20, 2011, (in its capacity as the Health and Safety Workers Compensation Administrator). Under this agreement PremierDR is obligated to guarantee through its Healthcare facilities all of the rehabilitation services specified in cases of Work-Related Accident or Professional and/or Occupational Illness, establishing quality control systems and self-regulating standards. To ensure the standards of the regulating authority are met, an auditing physician is appointed by the Government with the right to audit the activities, interventions, medical and technical procedures performed for the

Premier Health Group Inc.  
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insured. This agreement is automatically renewable annually and remains current.

On April 19, 2013 Premier DR entered into a contract for Administration of Complimentary Plans and Voluntary Prepaid and Special Complimentary Plans with ARS Humano S.A. which also carries an automatic renewal.

The operating agreements allow for regular inspection and critique of the clinics operation by the ARL. To date, the clinic's assessment and treatment methodologies have met or exceeded the Agencies requirements, as patient outcomes and cost/benefit factors are far superior to services that have been historically available in the DR. The President and senior executives of the ARL have asked Ms. Rasmussen and PremierDR to help develop rehabilitation protocols for the country.

## SELECTED QUARTERLY INFORMATION

	For the Year Ended	
	December 31, 2016	December 31, 2015
	\$	\$
Revenues	(169,405)	-
Expenses	2,474,606	25,540
Net loss for the year	(2,305,201)	(25,540)
Loss per common share	(0.10)	(255.40)
Total assets	758,806	4,699
Total liabilities	1,433,349	43,315
Dividends declared	-	-

## FINANCIAL POSITION

As December 31, 2016, the Company had current assets of \$668,250 and current liabilities of \$1,433,349. At December 31, 2016, the Company had working capital deficiency of \$765,099 compared to a working capital deficiency of \$38,616 at December 31, 2015. Included in current liabilities is the debt portion of the five year term debenture of \$1,050,855 based on accounting treatment however it isn't contractually due currently therefore, if it was recorded as long term, or converted into equity, working capital would increase by that amount. The Company has to rely upon the sale of equity securities primarily through private placements for the cash required for acquisition and operating expenses.

### **Additional Disclosure for Venture issuers without Significant Revenue**

The Company has generated \$169,405 in revenues from the medical business as at December 31, 2016 which is recorded starting from the June 17, 2016 acquisition date. The net loss in the year included the non-cash expense of the acquisition recorded at \$1,776,594, current accretion of the debenture in the amount of \$130,993, and the expense for bad debt of \$100,532. The remaining expenses included of \$186,494 was attributed to the operating expenses, which include office and administration expenses, consulting fees, accounting fees, legal fees, regulatory filings fees and transfer agent fees. The expense treatment of the acquisition as an expense is due to the purchase being financed entirely by debt with a conversion price that may be considered "in the money". Under advice from the Issuers auditor the acquisition price was expensed as the private company acquired didn't have the ability to repay the debt from internal cash flow at the time of purchase, although the debt has a five year term, and the debt is convertible into equity shares of the issuer at \$.25 per share – below last share sale prices at \$1.00 and higher. The lower exercise price than "market" price prompted the accounting for the debt as current with an expectation of conversion. Although accounted as current there is no assurance that the debt may be converted any time before the five year term. The amount of debenture outstanding as of December 31, 2016 is \$1,931,700 with \$880,845 recorded in equity, and the balance of \$1,050,855 in liabilities. This reflects the present value of the debt and interest payments discounted at a rate of 26.6% approximating the interest rate that would have been applicable to convertible debentures issued by similar size competitors in the same industry at the time the debentures were issued.

The expense of \$100,532 of revenue was in relation to receivables from the Company's largest customer, a government agency. Collection effort continues to receive that amount.

### **LIQUIDITY AND CAPITAL RESOURCES**

#### **Changes in Cash Position**

	<b>For the Year Ended</b>	
	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	\$	\$
<b>Cash (used in) /provided by:</b>		
<b>Net cash used in operating activities</b>	<b>(226,444)</b>	<b>(17,173)</b>
<b>Net cash provided by investing activities</b>	<b>21,708</b>	<b>-</b>
<b>Net cash provided by financing activities</b>	<b>217,149</b>	<b>20,370</b>
<b>(Decrease) increase in cash</b>	<b>12,413</b>	<b>3,197</b>
<b>Cash, beginning of period</b>	<b>3,197</b>	<b>-</b>
<b>Cash, ending of period</b>	<b>15,610</b>	<b>3,197</b>

Premier Health Group Inc.  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2016

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The Company had cash of \$15,610 at December 31, 2016 compared to \$3,197 at December 31, 2015. During the year ended December 31, 2016, the Company had cash outflows from operations of \$226,444 compared to \$17,173 in 2015. During the year, the Company acquired Premier Clinicas de Rehabilitacion, S. R. L. resulting in a significantly increase in revenue and operating expenses for 2016.

Cash provided by investing activities during the year ended December 31, 2016 was \$21,708 compared to \$Nil for year ended December 31, 2015 mainly due to the sale of investments held by the Company.

Cash provided by financing activities during the year ended December 31, 2016 was \$217,149 compared to \$20,370 for year ended December 31, 2015 for various private placements that were completed during the year.

## SELECTED QUARTERLY INFORMATION

	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
	2016	2016	2016	2016	2015	2015	2015	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial results:</b>								
Net loss	(1,924,327)	(217,158)	(122,849)	(40,867)	(20,360)	(2,730)	(2,450)	-
Basic loss per share	(0.05)	(0.01)	(0.01)	(408.67)	(203.60)	(27.30)	(24.50)	-

The net loss for periods in 2016 were higher than comparable period losses incurred in 2015 as a result of the acquisition of Premier Clinicas de Rehabilitacion, S. R. L. resulting in a significant increase in operating expenses for 2016. The Company's operating activities before the acquisitions were minimal.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

## SHARE CAPITAL

a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(c) Share Purchase Warrants

The continuity of warrants for the period ended December 31, 2016 is as follows:

Expiry Date	Exercise Price	December 30, 2015	Issued	Exercised	Expired/Cancelled	December 30, 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333



Premier Health Group Inc.  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2016

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Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of December 31, 2016, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had \$15,610 cash and current liabilities of \$1,433,349.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income.

## RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
CFO Fees	\$ 27,500	\$ Nil
Administration fees paid to Company owned by the CFO	5,500	Nil
Rent paid to a Company owned by the CFO	5,500	Nil

Premier Health Group Inc.  
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For the Year Ended December 31, 2016

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Management fees of \$27,500 (2015 - \$nil), administration fees of 5,500 (2015 - \$Nil) and rent fees of \$5,500 (2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at December 31, 2016, the Company had \$43,797 due from a director and a company related to a director (2015- Payable (\$29,022)). These balances are non-interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of December 31, 2016 is \$2,106,917 CND.

As of December 31, 2016, the Company had \$22,145 owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

## **RISKS AND UNCERTAINTIES**

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

### **\Competition**

The rehabilitation market and expansion into medical tourism is highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- quality service and support;
- price;
- ability to comply with new and changing regulations;
- reputation and stability of the provider.

There can be no assurance that the Issuer will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the products of the Issuer to be superior to competing services.

### **Limited Location**

All of the Issuer's current and anticipated revenues will be derived from its existing Santiago clinic. Consequently, the Issuer's performance will depend on establishing market acceptance of its clinics and services, should it intend to open additional clinics in the same area or in another city. There can be no assurances that the Issuer will establish and maintain a position at the forefront of emerging service quality trends. Any reduction in anticipated future demand or anticipated future sales of these services or any increase in competition could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

### **Dependency on Government Agency**

While the ARL has been highly supportive of PremierDR in the past it is possible that this could change, and that the government legislation passed in recent years regarding the ARL and vehicle and liability insurance could be amended or replaced. A loss of ARL contracts and support or an unfavourable change in legislation concerning the ARL or insurance could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

### **Uninsured Risks**

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

### **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other reporting and private companies. Consequently, there are no known conflicts but there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**Premier Health Group Inc.**

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Month Period Ended June 30, 2017

(Stated in Canadian Dollars)

## **INTRODUCTION**

### **General**

Premier Health Group Inc. (formerly Premier Health Services Inc.) (the "Company") was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. was Web Watcher Systems Ltd. ("Web Watcher"), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 440-890 W Pender Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the "Arrangement Agreement") with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On August 27, 2015, the Issuer agreed to acquire 4,000,000 shares of Moag Copper Gold Resources Inc. ("Moag") for investment purposes pursuant a share exchange agreement by issuing 20,000,000 common shares of the Issuer at a deemed price of \$0.02 per share as consideration. On August 27, 2015 the shares of Moag were trading on the Canadian Securities Exchange at \$0.10 per share. Moag was subject to a cease trade order dated October 13, 2015, made by the Director of the Ontario Securities Commission pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Securities Act (Ontario), and which was extended by a further cease trade order dated October 26, 2015.

The Issuer acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX in consideration for 200,000 units for investment purposes, each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

Our head office, registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9

### **Basis of Discussion & Analysis**

This management's discussion and analysis ("MD&A") is dated as of August 29, 2017 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements

for the six month ended June 30, 2017 and 2016, and the audited consolidated financial statements for the year ended December 31, 2016. The condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Standards Board ("IASB"). All dollar amounts are in Canadian dollars, unless otherwise indicated.

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Additional information relating to the Company can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **THE COMPANY AND BUSINESS**

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR is a wholly owned subsidiary of Premier Health Group Inc., ("Premier Group") a public health care company domiciled in Canada. The company's flagship location opened in Santiago, DR in January 2011. Santiago is the country's second largest city, with a population of 1,200,000, and was selected as an ideal location for the initial facility. Visit PremierDR at [www.premiersaludrd.com](http://www.premiersaludrd.com) and see the video under the heading "nosotros".

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

According to the Canada Export Corporation Spring 2016 Report, the DR is the second-largest country in the Caribbean, with a population of approximately 10.4 million. At US\$62 billion, the DR has also the largest economy in the Caribbean and Central America, and has been one of the countries with highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors.

After the successful founding and exit from health clinic company Alegro (Now Centric Health Corp CHH on TSX) Brenda Ramussen became aware of health care, and especially rehabilitation, opportunities in the Dominican Republic.

Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL") Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

Given the shortage of quality rehabilitation available throughout the country, PremierDR opened in January, 2011. The company introduced North American standards of rehabilitation practices and assessment methodology to the Dominican Republic for the first time.

Because of the advanced treatment methodologies and high level of equipment and technology being made available for the first time (and imported from the United States) the facility received a great deal of media attention. In addition to numerous newspaper features, founder and President Brenda Rasmussen has appeared on television on numerous occasions.

A 6,000 sq. ft. facility was leased and after a period of introduction, PremierDR now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

## PremierDR Rehabilitation and Assessment Services

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

## Customer Base and Payment Schedules

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. The company has treated several Major League Baseball players who return to their homeland in the off season. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions.

Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

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**SELECTED QUARTERLY INFORMATION**

	<b>For the Three Month period ended</b>	
	<b>June 30, 2017</b>	<b>June 30, 2016</b>
	<b>\$</b>	<b>\$</b>
Revenues	(86,618)	(24,370)
Expenses	219,676	92,384
Other (income) expense	(155,370)	2,086,057
Net income (loss) for the period	22,312	(2,154,071)
Loss per common share	0.01	(0.11)
Total assets	830,948	518,731
Total liabilities	1,531,328	2,348,796
Dividends declared	-	-

	<b>For the Six Month period ended</b>	
	<b>June 30, 2017</b>	<b>June 30, 2016</b>
	<b>\$</b>	<b>\$</b>
Revenues	(159,369)	(24,370)
Expenses	415,290	140,250
Other (income) expense	(503,160)	2,086,057
Net income (loss) for the period	247,239	(2,201,937)
Loss per common share	0.01	(0.22)
Total assets	830,948	518,731
Total liabilities	1,531,328	2,348,796
Dividends declared	-	-

**FINANCIAL POSITION**

As June 30, 2017, the Company had current assets of \$748,146 and current liabilities of \$1,531,328. At June 30, 2017, the Company had working capital deficiency of \$783,182 compared to a working capital surplus of \$79,832 at June 30, 2016. The Company has to rely upon the sale of equity securities primarily through private placements for the cash required for acquisition and operating expenses.

## LIQUIDITY AND CAPITAL RESOURCES

### Changes in Cash Position

	For the Six Month ended	
	June 30, 2017	June 30, 2016
	\$	\$
<b>Cash (used in) /provided by:</b>		
<b>Net cash used in operating activities</b>	<b>(215,806)</b>	<b>(166,439)</b>
<b>Net cash provided by investing activities</b>	<b>213,859</b>	<b>2,958</b>
<b>Net cash provided by financing activities</b>	<b>22,760</b>	<b>200,000</b>
<b>Increase in cash</b>	<b>20,813</b>	<b>36,519</b>
<b>Cash, beginning of period</b>	<b>15,610</b>	<b>3,197</b>
<b>Cash, ending of period</b>	<b>36,423</b>	<b>39,716</b>

The Company had cash of \$36,423 at June 30, 2017 compared to \$39,716 at June 30, 2016. During the period ended June 30, 2017, the Company had cash outflows from operations of \$215,806 compared to \$166,439 in 2016.

Cash provided by investing activities during the year ended June 30, 2017 was \$213,859 compared to \$2,958 for period ended June 30, 2016 mainly due to the sale of investments held by the Company.

Cash provided by financing activities during the year ended June 30, 2017 was \$22,760 compared to \$200,000 for the period ended June 30, 2016; the Company had various private placements that were completed last year.

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## SELECTED QUARTERLY INFORMATION

	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
	2017	2017	2017	2017	2016	2016	2016	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial results:</b>								
Net income (loss)	-	-	22,312	224,927	(1,924,327)	(217,158)	(122,849)	(40,867)
Basic income (loss) per share	-	-	0.01	0.01	(0.15)	(0.01)	(0.01)	(408.67)

The net income for the three month period ended June, 2017 were higher than comparable period losses incurred in 2016 as a result of the acquisition Premier Clinicas de Rehabilitacion, S. R. L. resulting in a significantly increase in operating expenses for 2016. The Company's operating activities before the acquisitions were minimal.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

## SHARE CAPITAL

a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000

common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(c) Share Purchase Warrants

The continuity of warrants for the period ended June 30, 2017 is as follows:

Expiry Date	Exercise Price	December 30, 2015	Issued	Exercised	Expired/Cancelled	December 30, 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

(d) Escrow Shares

As at June 30, 2017, the Company has 21,200,000 common shares held in escrow

(e) 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. As at December 31, 2016, no options were granted or outstanding.

(f) Rights Offering Subscriptions:

The Company commenced a rights offering April 17, 2017 issuing each registered shareholder of record on April 7, 2017 the right to purchase one share of the Company for each share held at an exercise price of \$1.00 per share. The rights were transferable and the offering expired May 8, 2017. As of May 5, 2017 the Company was cease traded for failure to file audited statements for the year ended December 31, 2016 and had received rights subscriptions for 207,000 shares representing \$207,000 as of that date. The cease trade order was revoked July 25, 2017 and no shares have yet been issued to finally close the rights offering.

## **CAPITAL DISCLOSURES**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of June 30, 2017, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

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 June 30, 2017, the Company had \$36,423 cash and current liabilities of \$1,531,328.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income.

## **RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
CFO Fees	\$ 15,000	\$ 12,500
Legal fees paid to a Company owned by the CFO	3,000	Nil
Administration fees paid to Company owned by the CFO	3,000	2,500
Rent paid to a Company owned by the CFO	3,750	2,500

As at June 30, 2017, the Company had \$609,977 (December 31, 2016 - \$43,797) due from various directors and a company related to a director. This consists of \$419,728 due from the CFO and \$180,000 to a company with common Directors to be used to acquire assets. These balances are non-interest bearing and are due on demand. Pursuant to a transfer agreement the CFO of the Company transferred securities in support of advances to himself to partially secure repayment consisting of 1,093,833 shares of Aida Minerals Corp., 254,184 shares of 360 Capital Financial Services Group Inc. and 130,246 shares of Rift Valley Resources Corp all with total market value of \$111,940 based on June trading averages.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of June 30, 2017 is \$2,107,257 (December 31, 2016 - \$2,099,582 CND).

As of June 30, 2017, the Company had \$54,032 (December 31, 2016 - \$22,145) owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

## **RISKS AND UNCERTAINTIES**

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

### **Start-Up Venture**

As a Company seeking a new venture the Company's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its operations, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it can be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. There is no assurance that it can raise the funds to acquire a feasible business venture or if so, that it can carry them out profitably.

### **Uninsured Risks**

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

### **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**SCHEDULE "I"**

**FINAL LONG FORM NON-OFFERING PROSPECTUS OF THE ISSUER**

*No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise.*

*This prospectus does not constitute a public offering of securities.*

## PROSPECTUS

Non-Offering Prospectus

February 10, 2017

### PREMIER HEALTH GROUP INC.

440-890 West Pender Street  
Vancouver, BC V6C 1J9

No securities are being offered or sold pursuant to this prospectus. This prospectus is being filed by Premier Health Group Inc. (the “Company” or the “Issuer”) with its overseeing regulator. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

Concurrently with the filing of this Prospectus, the Issuer will make an application for listing on the Canadian Securities Exchange (the “CSE”). Listing is subject to the Issuer fulfilling all the listing requirements of the CSE, including meeting all minimum listing requirements which includes a specific requirement to add 75 independent shareholders contributing funds equal to \$2,500 each.

**There is no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.**

**An investment in the securities of the Company is speculative and involves a high degree of risk. In reviewing this non-offering Prospectus, you should carefully consider the matters described under the heading see “Risk Factors.”**

**No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.**

**Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.**

**In this Prospectus, “we”, “us”, “our”, “Premier”, the “Issuer” and the “Company” refers to Premier Health Group Inc., a corporation existing pursuant to the *Business Corporations Act* (British Columbia).**

The head office of the Company is located at 440-890 West Pender Street, Vancouver, Canada.

**This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

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## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.*

<b>The Company</b>	<p>The Company was incorporated on September 19, 2013 under the <i>Business Corporations Act</i> (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. (“Web Watcher”). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the “Arrangement”). The Company subsequently changed its name to Premier Health Group Inc. on September 21, 2015.</p> <p>On July 15, 2013, Web Watcher had entered into a non-binding letter of intent (“LOI”) with TKDN MMA Entertainment Ltd. (“TKDN”). The LOI with TKDN was subsequently cancelled on December 9, 2014 due to lack of funding to proceed.</p> <p>On August 27, 2015, the Issuer agreed to acquire 4,000,000 shares of Moag Copper Gold Resources Inc. (“Moag”) pursuant a share exchange agreement by issuing 20,000,000 common shares of the Issuer at a deemed price of \$0.02 per share as consideration. On August 27, 2015, the shares of Moag were trading on the Canadian Securities Exchange (“CSE”) at \$0.10 per share. On October 26, 2015 Moag was subject to a cease trade order imposed by the Ontario Securities Commission and by the British Columbia Securities Commission (“BCSC”) on November 4, 2015 which remains as of the date of this prospectus.</p> <p>On October 8, 2015, the Issuer agreed to acquire 99.9% of the shares of a Dominican company Premier Clinicas de Rehabilitacion Precer, S. R. L. (“PremierDR”) for US\$ 1,500,000 by issuing a promissory note to Brenda Rasmussen (“Mrs. Rasmussen”) Pursuant to a revised agreement dated February 1, 2016 the Issuer agreed to purchase 1,000 shares of PremierDR from the total of 1,001 shares of PremierDR. Closing of the transaction and issuance of the promissory note occurred on June 17, 2016. The purchase price was negotiated at arm’s length with the board of the Issuer prior to any of the transactions with Brenda Rasmussen or PremierDR. The board of the Issuer at the time of the negotiations consisted of Don Gordon and Brian Peterson.</p> <p>The promissory note is due on June 17, 2021 and bears an annual simple interest of 8.5%. The promissory note is convertible into common shares of the Issuer at CA\$ 0.25 per share. The Issuer has the right to prepay any amount without a penalty before the due date of the promissory note.</p> <p>The Issuer’s head office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9 and registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9.</p> <p>For a more detailed discussion on the Company’s corporate structure, see “Corporate Structure” on page 13 of this Prospectus.</p>
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## Our Business

PremierDR was incorporated in 2010 in the Dominican Republic and is a 99.9% owned subsidiary of the Issuer. PremierDR initially opened in Santiago de los Caballeros or simply Santiago Dominican Republic in January 2011. Santiago is the country's second largest city, with a population of 1,200,000.

After the successful founding and exit from health clinic company Alegro Health Corp. (now Centric Health Corp. SYM: CHH on the TSX), Brenda Rasmussen formed PremierDR to pursue health care, and rehabilitation opportunities in the Dominican Republic.

The government of the Dominican Republic has instituted numerous forms of legislation that facilitate the initiation of modern enterprises, including the provision of rehabilitative services. By 2010 the majority of these legislative initiatives were in place, and the Government then strengthened and reorganized the government worker's compensation scheme and introduced mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, as injuries and deaths per 100,000 people are amongst the highest in the world. Now the worker's compensation program covers the insured when travelling to and from work.

In the face of a shortage of quality rehabilitation available in the Dominican Republic, PremierDR opened in January, 2011.

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. PremierDR operates from a 6,000 sq. ft. leased facility, with 21 staff. PremierDR holds nation-wide contracts from the workers compensation agency: Administradora de Riesgos Laborales the ("ARL") and the major Dominican insurance companies.

The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists. Primary fields of specialty are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

PremierDR's key competitors are hospital physiotherapy departments and a small number of sole practitioner treatment centres. Currently PremierDR is the sole multidisciplinary rehabilitation clinic in the DR, using North American treatment methodologies, equipment and technology. In addition, PremierDR works in close consultation with the government workers compensation agency in regard to setting care standards.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations via intranet.

Visit PremierDR at [www.premiersaludrd.com](http://www.premiersaludrd.com)

See "Corporate Structure" on page 16 in this Prospectus.

<b>Listing</b>	The Company is making an application to have its common shares listed on the CSE. Listing is subject to the Company fulfilling all of the requirements of the CSE, which includes a specific requirement to add 75 independent shareholders contributing funds equal to \$2,500 each and there can be no guarantee that the securities of the Company will be listed on the CSE.
<b>Use of Available Funds</b>	<p>As of September 30, 2016, the most recent quarter end for which it has filed financial statements prior to filing this Prospectus; the Issuers consolidated total assets were \$576,254. Working capital as at September 30, 2016 is (\$1,133,222). Included in current liabilities is assumed debt owed to the former sole shareholder of PremierDR of which \$255,852 has been deferred to March 1, 2018 and an amount of 1,135,274 representing debt portion of a debenture not payable for a five year term but included in current liabilities because it may be converted at any time into shares of the company. Excluding those amounts from current liabilities results in working capital as at September 30, 2016 of \$257,904</p> <p>The Company has no anticipated significant capital expenses in addition to expenses of operations in the normal course of business please refer to "Use of Available Funds" on page 17 of this prospectus. To the extent that our revenues do not exceed our cash outlay with respect to our anticipated expenses for the next 12 months, we expect our working capital position to cover such shortfall without any additional debt or equity financing being required.</p>
<b>Directors and Officers</b>	<p>Brenda Rasmussen – Chief Executive Officer, Director  Donald Gordon – Chief Financial Officer and Director  Katherine Badali – Director  Brian Peterson - Director</p> <p>See "Directors and Executive Officers" on page 25 of this Prospectus.</p>
<b>Risk Factors</b>	<p>The Issuer's subsidiary has an operating history and the Issuer holds additional assets in the form of securities but no significant surplus financial resources such that there can be no assurance that the business of the Issuer will sustain profitability or that the Issuer will maintain and grow sufficient revenues to cover its expenses and support its operations.</p> <p>The Issuer may require financing to achieve any business objectives for growth and expansion. There can be no guarantees that future financing will be obtained. The inability to obtain such financing could prohibit the Issuer from executing any plans for growth of the business.</p> <p>The Issuer's future success is dependent, in part, on the performance and continued service of its Chief Executive Officer and Director, Brenda Rasmussen.</p> <p>Currently there is no public market for the Common Shares of the Issuer, and there can be no assurance that an active market for the Common Shares will develop or be sustained.</p> <p>Even if the Issuer is successful in maintaining revenues, cash flows or earnings the purchase of the Common Shares involves a high degree of risk due to fluctuations in trading that affect investments generally and the risks of a small service business operating in a foreign country.</p> <p>The ARL is PremierDR's largest customer and an unfavorable change in the regulatory, legislative or political environment concerning the ARL and Dominican insurance law could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.</p> <p>A change in the exchange rate between the Dominican peso and the Canadian dollar could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.</p> <p>The Company's assets and business in Dominican Republic has a higher risk of expropriation than in Canada, and corruption is ranked more much more prevalent in the Dominican Republic than in Canada. Overall the Dominican Republic places above the median ranking in world indexes for corruption and political risk.</p>

	<p>Government legislation passed in recent years regarding and vehicle and liability insurance could be amended or replaced. A loss of contracts and support or an unfavorable change in legislation concerning insurance coverage of the Issuers services could have a material adverse effect on the Issuer’s business prospects, operating results, or financial condition.</p> <p>Competition from other providers of rehabilitation services may pose adverse consequences on the business of the Issuer.</p> <p>The ARL is PremierDR’s largest customer (approximately 60% of revenue) and an unfavorable change in the regulatory, legislative or political environment concerning the ARL and Dominican insurance law could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.</p> <p>See “Risk Factors” on page 34.</p>			
<b>Financial Information</b>	<p>The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements for the years ended December 31, 2015 and 2014 for each of PremierDR and the Company and the unaudited consolidated interim financial statements for the three months ended March 31, 2016 for PremierDR and the consolidated interim Financial Statements for the combined companies as at June 30, 2016, reflecting the acquisition date of June 17, 2016 and should be read in conjunction with such financial statements and the related notes thereto, along with the “Management Discussion and Analysis” attached at Schedule “F” to this Prospectus. The financial statements of PremierDR and the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”).</p>			
		<b>PremierDR</b>	<b>Premier Health Group Inc</b>	<b>Premier Health Group Inc</b>
		<b>March 31, 2016</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>
		<b>\$CDN</b>	<b>\$CDN</b>	<b>\$CDN</b>
	ASSETS			
	Cash and Equivalent	\$9,214	\$249,717	\$211,358
Total Assets	\$245,918	\$518,731	<b>\$576,254</b>	
Total Liabilities	\$394,999	\$1,467,951	\$1,594,597	
Shareholders’ Equity	\$(149,081)	\$(949,220)	\$(1,027,343)	
	<b>Premier DR</b>	<b>Premier Health Group Inc Consolidated <sup>(1)(2)</sup></b>	<b>Premier Health Group Inc Consolidated <sup>(1)(2)</sup></b>	
	<b>March 31, 2016</b>	<b>June 30, 2016</b>	<b>September 30, 2016</b>	
	<b>3 Months</b>	<b>6 Months</b>	<b>9 Months</b>	
	<b>\$CDN</b>	<b>\$CDN</b>	<b>\$CDN</b>	
Revenue	\$86,725	\$24,370	\$111,389	
Operating Expenses	\$84,581	\$140,250	\$304,027	
Income for the Period	\$18,900	\$(2,241,449)	\$(2,308,860)	

	<p>(1) Consolidated statements to June 30, 2016 and September 30, 2016 contains the results for PremierDR from the acquisition date, being June 17, 2016.</p> <p>(2) Income for the period includes an expense for the acquisition of PremierDR for \$2,070,734. Under advice from the Issuers auditor the acquisition price was expensed as the private company acquired didn't have the ability to repay the debt issued in payment from internal cash flow at the time of purchase although the debenture has a five year term and is convertible into equity shares of the issuer at any time.</p>
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		<b>PremierDR</b>  <b>12 months</b> <b>December 31, 2015</b> <b>\$CDN</b>	<b>Premier Health</b> <b>Group Inc</b> <b>Consolidated</b> <b>9 months</b> <b>September 30, 2016</b> <b>\$CDN</b>	
	Revenue	\$392,898	\$111,389	
	Operating Expenses	\$390,913	\$304,027	
	Income for the Period	\$(32,478)	\$(2,308,860)	
	<p>(1) The consolidated six month statement for Premier Health Group contains results from PremierDR from the date of acquisition, June 17, 2016.</p> <p>(2) Income for the period includes an expense for the acquisition of PremierDR for \$2,070,734.</p>			

## FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Issuer's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology.

Forward-looking statements in this Prospectus include, but are not limited to:

- volatility of stock price and market conditions;
- education of medical professionals and physiotherapists;
- regulatory risks;
- unfavorable publicity or consumer perception;
- difficulty to forecast;
- material impact of insurance legislation on the Issuer's business;
- key personnel;
- limited operating history based on one operating clinic;
- sales dependency on government insurance plans;
- competition;
- investment capital and market share;
- changes in target market;
- market uncertainty;
- additional capital requirements;
- management of growth;
- litigation;
- no dividend history; and
- political risk inherent in a Canadian owned company operating in Dominican Republic.

The risk factors described in this Prospectus are the best estimate by management of all the important factors that could cause actual results to differ materially from those expressed in the Issuer's forward-looking statements.

In addition, any forward-looking statements represent the Issuer's estimates only as of the date of this Prospectus and should not be relied upon as representing the Issuer's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this Prospectus include execution of the Issuer's existing plans, which may change due to changes in the views of the Issuer, or if new information arises which makes it prudent to change such plans. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about:

- ability to maintain existing customer contracts and relationships;
- the impact of competition;
- the ability to obtain and maintain existing financing on acceptable terms;
- the ability to retain skilled management and staff;
- the ability to acquire a significant market position in the provision of products and services in its target markets;
- currency, exchange and interest rates;
- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest and market competition;
- the ability to successfully market and sell the Issuer's services and to expand the customer base for such services; and
- operating in an environment that is subject to regulation.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Issuer.

Readers should not place undue reliance on the Issuer's forward-looking statements, as the Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such

forward-looking statements if known or unknown risks, uncertainties or other factors affect the Issuer's business, or if the Issuer's estimates or assumptions prove inaccurate. Therefore, the Issuer cannot provide any assurance that such forward-looking statements will materialize. The Issuer does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws. For a description of material factors that could cause the Issuer's actual results to differ materially from the forward-looking statements in this Prospectus, see "Risk Factors".

While the Issuer considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors."

### **Market and Industry Data**

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. We believe that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

## GLOSSARY OF TERMS

“**Affiliate**” means a Company that is affiliated with another Company as described below. A Company is an Affiliate of another Company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A Company is “controlled” by a Person if (a) voting securities of the Issuer are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Issuer. A Person beneficially owns securities that are beneficially owned by (a) a Company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Associate**” when used to indicate a relationship with a person or company, means (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, (b) any partner of the person or company, (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, and (d) in the case of a person, a relative of that person, including (i) that person’s spouse or child, or (ii) any relative of the person or of his spouse who has the same residence as that person.

“**ARL**” means Spanish acronym for Dominican Republic workers compensation government agency, Administradora de Riesgos Laborales.

“**Arrangement**” means the plan of arrangement among Web Watcher and the Issuer (formerly Proelium).

“**Auditors**” means Buckley Dodds Parker LLP, at its Vancouver office located at 1185 W Georgia St, Vancouver, BC V6E 4E6.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of the Issuer.

“**BCSC**” means British Columbia Securities Commission.

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

“**Common Shares**” means the common shares without par value in the capital of the Issuer.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Approval**” means the final approval of the CSE in respect of the listing of the Issuer’s common shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

“**CSE Policies**” means the rules and policies of the CSE in effect as of the date hereof.

“**DR**” means the Dominican Republic.

“**Effective Date**” means the date on which the BCSC issues a final receipt for this Prospectus.

“**Escrow Agent**” and “**Transfer Agent**” means Integral Transfer Agency, at its Toronto office located at 203-100 Queen Street E., Toronto ON M5C 1S6.

“**Escrow Agreement**” means the escrow agreement (to be dated following the closing of the Share Exchange) among the Issuer, Integral Transfer Agency, as escrow agent, and the holders of the Escrowed Securities.

“**Escrowed Securities**” means the 21,720,000 Common Shares held by the Principals that will be deposited in escrow pursuant to the Escrow Agreement.

“**Insider**” has the meaning ascribed to that term in the *Securities Act* (British Columbia), which includes the directors and senior officers of the Issuer or any subsidiaries of the Issuer and any person that has direct or indirect beneficial

ownership of, or control or direction over, securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer's outstanding voting securities.

**"Issuer"** means Premier Health Group Inc., a company incorporated under the BCBCA and a reporting issuer in British Columbia and Alberta.

**"Listing Date"** means the date on which the Common Shares of the Issuer are listed for trading on the CSE.

**"Moag Share Exchange"** means the acquisition of 4,000,000 common shares of Moag Copper Gold Resources Inc. by the Issuer from Winston Ventures Inc., in return for 20,000,000 common shares of the Issuer.

**"Moag Share Exchange Agreement"** means the agreement dated July 29, 2015 between Winston Ventures Inc. and Premier Health Group Inc. in respect to the MOAG Share Exchange.

**"Named Executive Officers"** means the following individuals:

- (a) the Issuer's CEO;
- (b) the Issuer's CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Issuer, and not acting in a similar capacity, at the end of that financial year.

**"NI 51-102"** means National Instrument 51-102 *Continuous Disclosure Requirements*.

**"NI 52-110"** means National Instrument 52-110 *Audit Committees*.

**"NI 58-101"** means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

**"NI 58-201"** means National Policy 58-201 *Corporate Governance Guidelines*.

**"NP 46-201"** means National Policy 46-201 *Escrow for Initial Public Offerings* as published by the Canadian Securities Administrators.

**"OSC"** means Ontario Securities Commission.

**"Person"** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

**"PremierDR"** means Dominican company Premier Clinicas de Rehabilitacion Precer, S.R. L.

**"Principals"** means, with respect to the Issuer:

- (a) the directors and senior officers of the Issuer;
- (b) promoters of the Issuer during the two years preceding the date the Issuer becoming a reporting issuer;
- (c) those who own or control more than 10% of the Issuer's voting securities immediately before and immediately after the date the Issuer becoming a reporting issuer if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Issuer;
- (d) those who own or control more than 20% of the Issuer's voting securities immediately before and

- immediately after the Issuer becoming a reporting issuer; and
- (e) associates and affiliates of any of the above.

**“Promissory Note”** means Promissory Grid Note received by Brenda Rasmussen in exchange for 1,000 Shares of PremierDR in the Share Purchase Agreement.

**“Prospectus”** means this prospectus and any appendices, schedules or attachments hereto.

**“Related Person”** means an “Insider”, which has the meaning set forth in the *Securities Act* (British Columbia) being:

- (a) a director or senior officer of the company that is an insider or subsidiary of the issuer;
- (b) a director or senior officer of the issuer;
- (c) a person that beneficially owns or controls, directly or indirectly, voting share carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

**“Web Watcher”** means Web Watcher Systems Ltd., a British Columbia company and a reporting issuer in Alberta and British Columbia.

**“RRIF”** means a registered retirement income fund.

**“RRSP”** means a registered retirement savings plan.

**“Securities Commission”** means the British Columbia Securities Commission.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com)).

**“Share Exchange”** means the acquisition by the Issuer of 1,000,000 common shares of Centric Health Corporation (“CHH”) from Brenda Rasmussen, in exchange for 200,000 units of the Issuer consisting of one common share and one common share purchase warrant each.

**“Share Exchange Agreement”** means the agreement dated February 1, 2016 entered into by the Issuer and Brenda Rasmussen in respect of the Share Exchange.

**“Share Purchase”** means the acquisition by the Issuer of 99.99% (1,000 of 1,001 issued) of the outstanding PremierDR Shares from Brenda Rasmussen, in exchange for an executed Promissory Note (the “Note”) of US \$1,500,000.

**“Share Purchase Agreement”** means the agreement dated February 1, 2016 entered into by the Issuer, Brenda Rasmussen and PremierDR in respect of the Share Purchase.

**“Stock Option Plan”** means the Issuer’s stock option plan providing for the grant of incentive stock options to the Issuer’s directors, officers, employees and consultants in accordance with the rules and policies of the CSE.

**“Stock Options”** mean the incentive stock options to be granted to the Issuer’s directors, officers, employees and consultants in accordance with the Stock Option Plan and the rules and policies of the CSE.

**“Transfer Agent”** means Integral Transfer Agency at its Toronto office located at 203-100 Queen Street E., Toronto ON M5C 1S6.

## CURRENCY

All sums of money to be paid or calculated pursuant to this Prospectus shall be paid or calculated in the currency of Canada unless otherwise expressly stated.

## CORPORATE STRUCTURE

### **Name and Incorporation**

The Company was incorporated on September 19, 2013 under the Business Corporations Act (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. (“Web Watcher”). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the “Arrangement”). The Company subsequently changed its name to Premier Health Group Inc. on July 9, 2015.

On July 29, 2015, the Issuer agreed to acquire 4,000,000 shares of Moag Copper Gold Resources Inc. (“Moag”) or 5.5% of that company for investment purposes pursuant to a share exchange agreement by issuing 20,000,000 common shares of the Issuer at a deemed price of \$0.02 per share as consideration. On August 27, 2015 the shares of Moag were trading on the Canadian Securities Exchange at \$0.10 per share. The Issuer agreed to acquire 1,000,000 shares of Centric Health Corp. (trading symbol TSX: CHH), or 0.01% of that company for investment purposes, in consideration for 200,000 units each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

On February 1, 2016 the Issuer agreed to acquire 1,000,000 shares of Centric Health Corp. from Brenda Rasmussen (see “Directors and Executive Officers”) pursuant to a share exchange agreement by issuing 200,000 units consisting of 200,000 common shares and 200,000 common share purchase warrants at a price \$1.25 per unit as consideration. On May 6, 2016, the shares of CHH were trading on the TSX at \$0.26 per share. As of the close August 5, 2016 they were \$0.25 per share.

On October 8, 2015 the Issuer agreed to acquire all the shares of a Dominican company Premier Clinicas de Rehabilitacion Precer, S. R. L. (“PremierDR”) for US\$ 1,500,000 by issuing a promissory note to Brenda Rasmussen. The purchase price was negotiated at arm’s length with the independent board of the Issuer prior to entering any transaction with Brenda Rasmussen or PremierDR. The board of the Issuer at the time of the negotiations consisted of Don Gordon and Brian Peterson. Pursuant to a revised agreement dated February 1, 2016 the purchase was modified to enable closing under legal requirements of the Dominican Republic to become purchase of 1,000 of 1,001 shares of PremierDR and confirmation of registration of the 1,000 shares was obtained on June 16, 2016.

The Issuers head office and registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9.

### **Business Combination with PremierDR**

In the fall of 2015 the Issuer negotiated the acquisition of all shares of the Dominican company named Premier Clinicas de Rehabilitacion Precer, S. R. L. from Brenda Rasmussen. An agreement to acquire all shares of PremierDR was reached in October of 2015. The agreement was revised February 1, 2016 in order to adapt to requirements under the laws of the Dominican Republic, which required a change to the corporate status of Premier DR from an individual enterprise with limited liability (Empresas Individual de Responsabilidad Limitada) to a limited liability company (Sociedad de Responsabilidad Limitada). Secondly, under the laws of the Dominican Republic, a limited liability company is required to have at least two shareholders. Therefore, the share purchase agreement was amended from the original purchase of the 1,001 shares, to 1,000 shares of Premier DR.

As a result of the steps described in the preceding paragraph, extra time was required to legalize the power of attorney authorizing the acquisition of shares by Canadian and Dominican government authorities and to register the 1,000 shares of PremierDR in the name of the Issuer. On June 16, 2016 the Issuer received confirmation that 1,000 shares of Premier DR were registered in the name of the Issuer, and on June 17, 2016 the Issuer issued the Promissory Note to Brenda Rasmussen and closed the transaction.

PremierDR has become a subsidiary of the Issuer which owns 1,000 (99.99%) of the 1,001 issue shares of PremierDR, and Brenda Rasmussen owns the remaining one (1) share.

## BUSINESS DESCRIPTION

### Background

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR became a 99.99% owned subsidiary of Premier Health Group Inc., (“Premier Group”) effective June 17, 2016, and the business of PremierDR has become the business of the Premier Group.

### The Dominican Republic

The Dominican Republic is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti. The DR economy is the largest in the Caribbean and Central America. It is an upper-middle-income country, reliant on the service sector. The most prominent economic activities are tourism, retail, manufacturing and financial services. The government is encouraging foreign investment and working to position the DR as the primary destination in the Caribbean for foreign investors. To comply with the laws for foreign ownership the Company had to ensure at least one share was held by a DR citizen and the acquisition required approval by federal government officials in Canada and the DR. There are no major restrictions on foreign investment, and investors can repatriate their profits and capital subject to a labour law making it mandatory to share a portion of the company’s profits with employees (discussed further below).

The Canada Export Corporation’s Spring 2016 Report, states the DR has a population of approximately 10.4 million and with GDP at US\$66 billion, the DR is not only the largest economy in the Caribbean and Central America, but has one of the highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors. Historically, the United States is the largest investor, followed by Canada and Spain. The largest single investment of US\$4 billion was made by Canada’s Barrick Gold and Gold Corp, in the DR’s Pueblo Viejo mining project, demonstrating that opportunities for Canadian business to operate in the DR are being actively pursued.

The government of the DR recognized the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), and it has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

The federal authority that regulates the Issuer’s industry sector is the Ministry of Public Health and Social Assistance. Importantly for Premier DR, among the enabling legislation for business are the strengthening and reorganization of the government worker’s compensation scheme (“ARL”) (Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Unlike most North American worker’s compensation programs, the ARL also covers the insured when travelling to and from work. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million. These motorcycles account for a very high percentage of the country’s considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world.

The experience and research of other major investors in the Dominican Republic provide information as to the any possible risks related to restriction on investment in the country. The U.S. is a significant investor in the DR, and the U.S. Department of State in its 2016 Investment Climate Statements stated that under Foreign Investment Law (No. 16- 95), unlimited foreign investment is permitted in all sectors, with the exception of activities negatively impacting public health and the environment; and the production of materials and equipment directly linked to national security unless authorized by the President.

The legal system of the Dominican Republic is civil law. On October 23, 2007, Decree No. 610- 07 placed DICOEX – the Directorate of Foreign Commerce of the then-Secretariat of State for Industry and Commerce –governs the enforcement of arbitration awards, arbitral agreements, and arbitration proceedings in the Dominican Republic all of which are available to foreign entities. There are no requirements that foreign equity be reduced over time or that technology be transferred according to defined terms. The government imposes no significant conditions on foreign investors concerning location, local content, foreign exchange or export requirements.

The Dominican Republic’s labor code establishes that 80 percent of the labor force of a foreign or national company, including free trade zone companies, be composed of Dominican nationals (although the management or administrative staff of a foreign company is exempt from this regulation). Employers must share 10% of their annual pretax profits, if any, with their employees. However, the Labor Code allows employers to cap profit sharing as follows:

- An employee with less than three years on the job will receive 45 days’ salary.
- An employee with three years or more years, 60 days’ salary.

## **PremierDR**

When the new government initiatives (discussed above) came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury. After the founding and exit from health clinic company Alegro Health Corp. (Now Centric Health Corp. CHH: TSX), Brenda Rasmussen became aware of health care and rehabilitation opportunities in the DR which led to the opening of the first rehabilitation clinic in 2011. The clinic is located in Santiago, the country's second largest city, with a population of 1,200,000. PremierDR operates from a leased 6,000 sq. ft. facility with 21 staff and holds nation-wide contracts from the ARL and major Dominican insurance companies.

PremierDR operates the country's sole multidisciplinary rehabilitation facility. The therapies and programs provided by PremierDR are based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists. Primary fields of specialization are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The clinic employs 7 physiotherapists, 1 occupational therapist, and 2 doctors. In addition there are 11 managerial and administrative staff for a total of 21 employees.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use with growth of customer volume.

PremierDR's key competitors are hospital physiotherapy departments and a small number of sole practitioner treatment centres. Currently PremierDR is the sole multidisciplinary rehabilitation clinic in the DR, using North American treatment methodologies, equipment and technology. In addition, PremierDR works in close consultation with the government workers compensation agency in regard to setting care standards.

## **Customer Base and Payment Schedules**

In addition to the ARL contract which covers the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. PremierDR also has nation-wide contracts with private insurers such as the major auto insurers.

PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full on claim processing for the services provided. Private (non-insured) patients pay for treatment 100% in cash. Secondly, auto and health insurance hospitals or local sole operator companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Finally, co-pay and private payer patients are paying all or part in cash. Although the cost to self-pay patients of their treatment at PremierDR may be higher than at local hospitals and sole practitioner offices, the company maintains state of the art service facilities and outcomes as its distinctive competitive advantage.

The volume of private payers is a significant contributor to revenue which reduces the dependency on insurance contracts to some extent, as there is a large enough cohort of affluent individuals in the DR to maintain the private payer contribution to revenue.

## **Agreements**

A Health Services Agreement was entered into with ARS Monumental S.A., on March 31, 2011 to provide health services and supplies covered by the Government's Basic Health Plan, worker's compensation plans and permitted supplemental plans, in addition to services that are not covered by these plans but are still approved by the social services agency for coverage. This agreement is automatically renewable annually and remains current.

A Health Services Agreement was entered into with the Dominican Social Insurance Agency, on May 20, 2011, (in its capacity as the Health and Safety Workers Compensation Administrator). Under this agreement PremierDR is obligated to guarantee through its Healthcare facilities all of the rehabilitation services specified in cases of Work-Related Accident or Professional and/or Occupational Illness, establishing quality control systems and self-regulating standards. To ensure the standards of the regulating authority are met, an auditing physician is appointed by the Government with the right to audit the activities, interventions, medical and technical procedures performed for the insured. This agreement is automatically renewable annually and remains current.

On April 19, 2013, Premier DR entered into a contract for Administration of Complimentary Plans and Voluntary Prepaid and Special Complimentary Plans with ARS Humano S.A. which also carries an automatic renewal.

The operating agreements allow for regular inspection and critique of the clinics operation by the ARL. To date, the clinic's assessment and treatment methodologies have met or exceeded the Agencies requirements, as patient outcomes and cost/benefit factors are far superior to services that have been historically available in the DR. The President and senior executives of the ARL have asked Ms. Rasmussen and PremierDR to help develop rehabilitation protocols for the country.

### **Revenue for the years ended December 31, 2013 and December 31, 2014 and December 31, 2015**

Operation under one clinic location is well established the past three fiscal years with revenue growing at a compound annual rate of 16.23% and currently at a level operating close to breakeven.

	<b>Year ended</b>		
	<b>December 31, 2015</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Operating Revenue	\$ 392,868	326,861	290,811
Net income (loss)	\$ 1,955	(2,174)	(22,224)
Income (Loss) per share	\$ 1.96	(2.74)	(22.22)

### **Cycles**

The medical services sector is quite a stable year round market although there is a seasonal increase in activity that corresponds with certain sport seasons.

### **Economic Dependence**

A contract upon which PremierDR's business is substantially dependent is the Administradora de Riesgos Laborales or ARL.

### **Changes to Contracts**

There is no expectation in the current financial year of a renegotiation or termination of contracts or sub-contracts of any significance. It is a common characteristic of the agreements entered into in the Dominion Republic to have terms for automatic renewal unless the parties notify of cancellation or decline to renew.

### **Three Year History**

On September 30, 2014, the Company changed its type of business structure from Limited Liability Company to an Individual Limited Liability Company as Brenda Rasmussen became the sole proprietor of the business entity by acquiring additional 50 common shares with a par value of \$100 Dominican Peso (\$2.85 Canadian Dollars) each.

As described above as of June 16, 2016 the Company changed its type of business structure back to a Limited Liability Company from an Individual Limited Liability and is incorporated with 1,001 shares of which 1,000 are owned by the Issuer and the remaining one share held by Brenda Rasmussen.

### **Anticipated Changes in the Current Financial Year**

The Issuer does not anticipate changes in the current financial year other than any changes related to moving the Dominican subsidiary into a regular public reporting regime.

## **USE OF AVAILABLE FUNDS**

### **Proceeds**

This is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Issuer in connection with the filing of this Prospectus.

## Funds Available

As of September 30, 2016, the most recent quarter end for which it has filed financial statements prior to filing this Prospectus, working capital is \$(1,133,222). Included in current liabilities is assumed debt owed to the former sole shareholder of PremierDR of which \$255,852 has been deferred to March 1, 2018 and, an amount of \$1,135,274 is the debt portion of a debenture not payable for a five-year term but is included in current liabilities because it may be converted at any time into shares of the company. Excluding those amounts from current liabilities results in working capital as at September 30, 2016 of \$257,904. As at September 30, 2016 an amount of \$210,001 was recorded as securities held for resale comprised of 1,000,000 shares of Centric Health Corp. Based on trading prices since that date the shares trade at an average of \$.60 per share and the Issuer liquidates as needed for working capital. The Issuer has negative cash flow from operating activities as of its most recently completed financial year end and for the most recent quarter end.

The following is a breakdown of the funds that will be available to the Issuer (the “**Available Funds**”) upon completion of the Transaction and the Financing:

Source of Funds	Available Funds (\$)
Working capital of the Issuer as at September 30, 2016	\$257,904
Gain on shares available for resale	\$209,401
<b>Current Total</b>	<b>\$467,305</b>
Proposed financing to qualify for listing minimum	\$187,500
<b>Total</b>	<b>\$654,805</b>

The consolidated financial statements of the Issuer, as of September 30, 2016, are attached as Schedule “E”.

## Use of Available Funds

The working capital position of the Issuer as September 30, 2016 was \$467,305.

Management anticipates applying its available funds in the following manner over the next 12 months:

Expense	Projected Expenses	Total Projected Expenses
General and Administrative		
Costs to list and maintain CSE Listing	\$75,000	
General and administrative (1)	\$30,000	
Legal and audit fees	\$50,000	
Promissory Note Interest	\$164,475	
<b>Total</b>		<b>\$289,525</b>
Clinic Development Plan		
Feasibility Plan for Clinic Additions	<b>\$10,000</b>	
Permitting and Licencing	\$5,000	
Final Implementation Plan for New Clinic(s)	\$5,000	
Documentation for Plan funding	\$20,000	
<b>Total</b>		<b>\$40,000</b>
General Working Capital		\$107,830
<b>Current Total</b>		<b>\$467,305</b>
Reserved for implementation of Feasibility Plan	\$187,500	
<b>Total</b>		<b>\$654,805</b>

The Issuer intends to spend the net funds available to it as stated in this Prospectus. However, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, a reallocation of funds is necessary in order for the Issuer to achieve its overall business objectives.

#### Business Objectives and Milestones

Business Objectives	Milestones	Timing	Expenses
Clinic Development Plan	<ul style="list-style-type: none"> <li>• Research target location (s)</li> <li>• Identify government and legal process required</li> <li>• Estimate costs and capital requirements</li> <li>• Complete market study and feasibility</li> </ul>	<b>3 Months</b>	\$10,000
Permitting and Licencing	<ul style="list-style-type: none"> <li>• LOI for targeted site</li> <li>• MOU with government and key customers</li> <li>• Commence license and contract drafts for clinic</li> </ul>	<b>6 Months</b>	\$5,000
Final Implementation Plan for New Clinic(s)	<ul style="list-style-type: none"> <li>• Bankable final plan for clinic expansion</li> </ul>	<b>7 Months</b>	\$5,000
Documentation for Plan funding	<ul style="list-style-type: none"> <li>• Prepare bank and/or share offering documents</li> <li>• Legal Agreements for facilities, customer contracts, equipment and asset purchases</li> </ul>	<b>9 Months</b>	\$20,000
<b>Total</b>			<b>\$40,000</b>
General and Administrative			\$289,525
Working Capital			<b>\$137,780</b>
Total			<b>\$467,305</b>

In the forthcoming 12-month period the Issuer will continue to improve productivity at its location. The Issuer will seek to continue to seek new contracts for treatment revenue at its existing location capacity permitting. The required resources, regulatory approvals and capital costs to develop new locations exceed the capability of the current operation to fund from internal operating cash flow so the issuer will proceed with a project to create a bankable proposal for expansion. There is no assurance that the proposal can be funded but the Issuer has funds on hand in the parent company to fully develop a plan and approach potential lenders and financiers. The amount of \$187,500 required to be raised as a condition of listing on the CSE is fully available to carry out the Feasibility Plan.

#### DIVIDEND POLICY

Neither the Issuer nor PremierDR has declared any dividends or made any distributions since incorporation. The Board may declare dividends at its discretion but does not anticipate paying dividends in the near future. The Board expects to retain earnings to finance future growth and, when appropriate, retire debt.

#### MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the Issuer for the financial years ended December 31, 2015 and December 31, 2014 is included as Schedule "B". Management's Discussion and Analysis for the Issuer for the interim periods ended September 30, 2016 and June 30, 2016 is included as Schedule "F".

Management's Discussion and Analysis of PremierDR for the financial years ended December 31, 2015 and the interim period ended March 31, 2016 is included as Schedule "D".

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

### Authorized and Issued Share Capital

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value of which 34,737,031 Common Shares are issued and outstanding at the date of this Prospectus. See "Consolidated Capitalization" on page 22.

### Common Shares

All of the Common Shares of the Issuer rank equally as to voting rights, participation in a distribution of the assets of the Issuer on the liquidation, dissolution or winding-up of the Issuer and the entitlement to dividends. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote such shares at the meetings. Each Common Share carries with it the right to one vote. The Common Shares do not have pre-emptive rights and are not subject to redemption. Holders of the Common Shares are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefore. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Common Shares are entitled to share ratably in all assets of the Issuer remaining after payment of all amounts due to creditors.

Listing of the Common Shares is subject to the Issuer fulfilling all of the listing requirements of the CSE.

### Warrants

As of the date of this Prospectus, the Issuer has issued 333,333 Warrants of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer's financial statements for the year ended December 31, 2015.

Description	Amount Authorized or to be Authorized	Authorized at the date of this Prospectus	Outstanding as at December 31, 2015 (audited)	Outstanding as at the date of this Prospectus (Unaudited)
Common Shares	Unlimited	Unlimited	Nil	34,737,031
Warrants	333,333	333,333	Nil	333,333

(1) There were no outstanding shares as of December 31, 2015 as the 101 Incorporator's Shares had been cancelled and the remaining 34,737,031 shares were issued in a treasury order dated May 9, 2016.

The following table sets forth the share and loan capital of PremierDR as at the dates below. The table should be read in conjunction with and is qualified in its entirety by PremierDR's financial statements for the year ended December 31, 2015.

Description	Amount Authorized or to be Authorized	Authorized at the date of this Prospectus	Outstanding as at December 31, 2015 (audited)	Outstanding as at the date of this Prospectus (Unaudited)
Common Shares	Unlimited	Unlimited	1,000	1,001

## OPTIONS TO PURCHASE SECURITIES

As at the date of this Prospectus, the Issuer has not granted any options to directors, executive officers, employees, and consultants of the Issuer. The Issuer may grant options following closing of the Share Exchange.

### Stock Option Plan

The Company's stock option plan was approved by the shareholders as part of the Plan of Arrangement which became effective on January 7, 2014. The number of the common shares which may be issued pursuant to options granted under the plan is 10% of the Premier Health issued and outstanding shares of which there are a total of 34,737,031.

No options have been issued.

### PRIOR SALES

The following table summarizes the sales of securities of the Issuer within the 12 months prior to the date of this Prospectus:

Effective Date	Price Per Security (\$)	Number and Type of Securities	Reason for Issuance
September 19, 2013	\$1.00	100 Common Shares	Incorporator's Shares (which were cancelled before January 7, 2014)
January 7, 2014	N/A	14,403,698 Common Shares <sup>(1) (2)</sup>	Plan of Arrangement with Proelium
July 29, 2015	\$0.02	20,000,000 Common Shares <sup>(2)</sup>	Acquisition of Shares of Moag Copper
February 1, 2016	\$1.25	200,000 Units <sup>(2) (3)</sup>	Acquisition of Shares of Centric Health Corp.
February 4, 2016	\$1.50	133,333 Units <sup>(2) (3)</sup>	Private Placement
	<b>Total:</b>	<b>34,737,031 Common Shares</b>	

(1) These common shares were issued by one treasury order as per the plan of arrangement's effective date of January 7, 2014.

(2) These securities were issued by a treasury order dated May 9, 2016.

(3) Units consisting of one Common Share and one Common Share Warrant.

PremierDR issued one share in January 2016 in order to comply with legal requirements which were its only issuance since incorporation bringing its issued share capital to 1,001.

### Trading Price and Volume

Neither the Common Shares of the Issuer nor the PremierDR Shares are currently listed for trading on any stock exchange.

## ESCROW

We have agreed that the following securities will be held in escrow pursuant to escrow agreements executed in connection with the listing of our common shares on the CSE. Each escrow agreement will provide for a timed escrow release consistent with the escrow provisions of National Policy 46-201. Under the timed escrow release: (i) 10% of the escrowed securities will be released on the listing date; (ii) 1/6 of the remaining escrow securities will be released six months after the listing date; (iii) 1/5 of the remaining escrow securities will be released 12 months after the listing date; (iv) 1/4 of the remaining escrow securities will be released 18 months after the listing date; (v) 1/3 of the remaining escrow securities will be released 24 months after the listing date; (vi) 1/2 of the remaining escrow securities will be released 30 months after the listing date; and (vii) the remaining escrow securities will be released six months after the listing date:

The following sets forth particulars of the escrowed shares that will be subject to Emerging Issuer escrow under the Escrow Agreement upon listing of the shares of the Issuer on the CSE.

Name and Municipality of Residence	Number of Shares held in Escrow	Percentage of Outstanding Shares held in Escrow <sup>(1)</sup>
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BRENDA RASMUSSEN Toronto, Ontario CEO, President and Director	20,200,000	58.15%
KATHERINE BADALI Toronto, Ontario Director	1,000,000	2.88%
<b>TOTAL</b>	<b>21,200,000</b>	<b>61.03%</b>

(1) On the basis of 34,737,031 issued and outstanding Common Shares of the Issuer.

### PRINCIPAL SHAREHOLDERS

To the knowledge of the Issuer's directors and executive officers, the only persons who beneficially own or exercise, directly or indirectly, control or direction over, Common Shares carrying more than 10% of the votes attached to the Common Shares, assuming completion of the Share Exchange, are as follows:

Name	Type of Ownership	Number of Common Shares presently owned	Percentage of common shares outstanding <sup>(1)</sup>
BRENDA RASMUSSEN Toronto, Ontario President, CEO, Director	Direct	20,200,000	58.15%

(1) On the basis of 34,737,031 issued and outstanding Common Shares of the Issuer

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security holding

The following table sets out information regarding each of directors, executive officers and promoters of the Issuer including the names, municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the preceding five years, and the number and percentage of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name, Position with Issuer and Province and Country of Residence	Date of Appointment to Office	Principal Occupation for Past Five Years	Common Shares Held	Percentage of Common Shares <sup>(2)</sup>
BRENDA RASMUSSEN <sup>(1)</sup> Toronto, Ontario CEO, President, Director	February 4, 2016	Sole proprietor and President, Premier Clinicas de Rehabilitacion since September 19, 2010.	20,200,000	58.15%
DONALD GORDON North Vancouver, B.C. CFO, Director	September 19, 2013	Principal of DAG Consulting Corp. since 2000; Senior Advisor of Canadian Securities Exchange 2005-2016; Director of Truvera Trust Co and several private and public reporting companies.	260,000	0.75%
BRIAN PETERSON <sup>(1)</sup> Kelowna, B.C. Director	September 19, 2013	Director of Truvera Trust Corporation, director of Mortgage Brokers Institute of British Columbia. Director and officer in various private and public reporting companies.	260,000	0.75%
KATHERINE BADALI <sup>(1)</sup> Toronto, Ontario Director	February 4, 2016	President of Kathy Badali & Associates, an Independent Management Consulting Firm in Toronto, Ontario.	1,000,000	2.88%

(1) Audit Committee Member.

(2) On the basis of 34,737,031 issued and outstanding Common Shares of the Issuer.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of the office of the officers expires at the discretion of the Issuer's directors.

### Aggregate Ownership of Securities

The directors and officers of the Issuer, as a group, beneficially own, directly or indirectly, 21,720,000 Common Shares representing approximately 62% of the issued and outstanding Common Shares of the Issuer.

### Management of Junior Issuers

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Issuer is as follows:

#### **Brenda Rasmussen – CEO, President, Director**

Ms. Brenda Rasmussen is the founder of Alegro Health Corp (now Centric Health Corporation). In 1991, she began the business

as Direct Rehabilitation, a Vocational Case Management Company. The business then expanded into the area of clinical rehabilitation under the name WorkAble Centres Inc. WorkAble owned and operated clinics in Ontario and British Columbia. The Company was listed on the TSX Venture Exchange in 2002 under the name Alegro Health Corp. Under Ms. Rasmussen's leadership the company continued to make strategic acquisitions in various areas of health care, including Don Mills Surgical, one of three private hospitals in Ontario. Ms Rasmussen led the company's move to the TSX in 2009 before eventually leaving the company in 2010. In 2011 she opened Premier Clinicas de Rehabilitacion, a multidisciplinary rehabilitation clinic in Santiago, Dominican Republic. Ms. Rasmussen continues to expand the rehabilitation business as well as looking to other areas to expand health care services in both Canada and abroad. Brenda studied psychology at York University, Social Work at Humber College and the Ontario Teachers College. Ms. Rasmussen is devoting 100% of her time to the Issuer. Ms. Rasmussen has not entered into a non-competition or non-disclosure agreement with the Issuer. She is an independent contractor.

#### **Katherine Badali –Director**

Ms. Katherine Badali specialises in business planning, operational leadership, service evaluation, quality management, health system regulation, and governance. Since 1994 Ms. Badali has acted as president of Kathy Badali & Associates, an independent management consulting firm in Toronto, Ontario. Kathy Badali & Associates is a management consulting enterprise with a focus on strategic business planning, governance, organizational development and evaluation, procurement, quality management, inter-sectoral negotiation and consultation, and stakeholder relationship management. From 2001 through 2011 Ms. Badali served as Chief Operating Officer of Centric Health Corporation, a national, multi-service healthcare organization with a multi-professional staff base. Ms. Badali's responsibilities at Centric Health Corporation included business practices and analytics, quality and risk management, information systems, accreditation and regulatory compliance across subsidiaries, sourcing and qualifying procurement and enterprise-wide business development opportunities, senior stakeholder relationships and contract negotiations, and due diligence and integration of acquired businesses. Ms. Badali is devoting 80% of her time to the Issuer. Ms. Badali has not entered into a non-competition or non-disclosure agreement with the Issuer. She is an independent contractor.

#### **Brian Peterson - Director**

Mr. Brian Peterson has served as a Director of the Company since its inception in September 2013. Mr. Peterson has a background in dealing with government and regulatory bodies with an emphasis on financial institution regulation. He also has knowledge and experience in technology, finance, and governance. Currently, Mr. Peterson is the Chairman of Truvera Trust Corporation and a director of the Mortgage Brokers Institute of British Columbia. He has also served as a director and officer in various private and public sector corporations and is a Director of several public reporting companies. He is the past President of the Mortgage Brokers Institute and past President of the Mortgage Brokers Association, of British Columbia, and a past Director of the Canadian Association of Mortgage Professionals. He holds a BA in Economics from the University of Victoria and a Diploma in Urban Land Economics from the University of British Columbia. Mr. Peterson is an independent contractor of the Issuer. He will devote approximately 20% of his time to the Issuer. Mr. Peterson has not entered into a non-competition or non-disclosure agreement with the Issuer. He is an independent contractor.

#### **Don Gordon – CFO, Director**

Mr. Donald Gordon has served as a Director of the Company since its inception in September 2013. Mr. Gordon has been conducting corporate finance consulting for issuers since 1999 through his operating company, DAG Consulting Corp. and is a Director of several reporting issuers. His consultancy practice entails engineering corporate mergers and reorganizations which includes working with cease traded issuers on compliance issues and dealers for raising capital. Currently Mr. Gordon is a Director of Truvera Trust Corporation and is a Director of several public reporting companies. Mr. Gordon was Senior Advisor for the Canadian Securities Exchange from 2005 until June 2016. Prior to opening his consultancy, Mr. Gordon held management positions in corporate finance and marketing over a 17 year career with the predecessor to the TSX Venture Exchange, the Vancouver Stock Exchange. Mr. Gordon is past President and board member of the Vancouver Society of Financial Analysts and was a member of the Canadian Advocacy Counsel of the CFA Institute over 10 years ended 2013. Mr. Gordon holds BA and MBA degrees from the University of British Columbia and is a CFA charter holder. Mr. Gordon is devoting 20% of his time to the Issuer. Mr. Gordon has not entered into a non-competition or non-disclosure agreement with the Issuer. He is an independent contractor.

#### **Cease Trade Orders, Bankruptcies, Penalties Or Sanctions**

To the best of the Issuer's knowledge, other than as set forth below, no existing or proposed director, officer, promoter or other member of management of the Issuer is, or within the ten years prior to the date hereof has been, a director, CEO or CFO of any other corporation that, while that person was acting in the capacity of a director, CEO or CFO of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any

statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

Mr. Gordon engages in consulting work to reactivate and reorganize companies and as a result works with some that are not in good standing. Mr. Gordon was a director of Tomco Developments Inc. (he ceased being a director in May 2013), which was cease traded October 7, 2008 by the British Columbia Securities Commission and January 5, 2009 by the Alberta Securities Commission for failure to file the audited financial statements for the year ended May 31, 2008 and subsequently has been struck from the Companies Registrar. Mr. Gordon is a director of AFG Flameguard Ltd. which is subject to a cease trade order issued by the British Columbia Securities Commission on May 8, 2014 and the Ontario Securities Commission on May 26, 2014 for failure to file required annual audited financial information in the prescribed time and AFG Flameguard Ltd. subsequently has been struck from the Companies Registrar. Mr. Gordon was a director of Sor Baroot Resources Corp. (he ceased being a director in September 2015), which was subject to a cease trade order issued by the British Columbia Securities Commission on August 6, 2014 for failure to file audited financial statements for the period ending March 31, 2014. The cease trade order was revoked on October 30, 2014. Mr. Gordon was a director of Mahdia Gold Corp. (he ceased being a director in April 2016) which was subject to a cease trade order issued by the Ontario Securities Commission on March 13, 2015 for failure to file required financial information in the prescribed time. Mr. Gordon is a director of 0941092 B.C. Ltd. which was subject to a cease trade order issued by the British Columbia Securities Commission on December 11, 2015 for failure to file required financial information in the prescribed time and the cease trade order remains in force at the date of this Prospectus. Mr. Gordon is a director of Web Watcher Systems Ltd. which was subject to a cease trade order issued by the British Columbia Securities Commission on November 4, 2015 for failure to file required financial information in the prescribed time and the cease trade order remains in force at the date of this Prospectus.

Brian Peterson became a director of Miramare Capital Inc. (“Miramare”) in May 2010 at which time the shares of this company were already under a cease trade order for failure to file annual financial statements by the British Columbia Securities Commission on February 10, 2009 and by the Alberta Securities Commission on May 29, 2009. Mr. Peterson ceased being a director of Miramare on November 5, 2013. Mr. Peterson was a director of Aztek Resources Development Inc. (“Aztek”), the shares of which have been ceased traded for approximately 5 years prior to his appointment, as of May 28, 2007 by the British Columbia Securities Commission, May 30, 2007 by the Ontario Securities Commission and since December 20, 2002 by the Alberta Securities Commission, for failure to file its financial statements. He became a director of Aztek after the cease trade order was issued as part of a reorganization plan. Mr. Peterson ceased being a director of Aztek in December 2013. Mr. Peterson was a director of Sor Baroot Resources Corp., (he ceased being a director in September 2015) which was subject to a cease trade order issued by the British Columbia Securities Commission on August 6, 2014 for failure to file audited financial statements for the period ending March 31, 2014 and that cease trade order was revoked on October 30, 2014. Mr. Peterson is a director of 0941092 B.C. Ltd. which was subject to a cease trade order issued by the British Columbia Securities Commission on December 11, 2015 for failure to file required financial information in the prescribed time and the cease trade order remains in force at the date of this Prospectus. Mr. Peterson is a director of Web Watcher Systems Ltd. which was subject to a cease trade order issued by the British Columbia Securities Commission on November 4, 2015 for failure to file required financial information in the prescribed time and the cease trade order remains in force at the date of this Prospectus.

### **Penalties or Sanctions**

None of the directors, executive officers or shareholders holding a sufficient number of Common Shares to affect materially the control of the Issuer, has within the last 10 years has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

Other than as set forth below, none of the directors, executive officers or shareholders holding a sufficient number of Common Shares to affect materially the control of the Issuer, or promoter of the Issuer, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

## Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Issuer’s knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The compensation of the executive officers is determined by the Board. The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation the Board bases its decisions on general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Issuer’s relative performance and strategic goals.

The executive officer compensation consists of two basic elements: (i) base salary; and (ii) Stock Options. The details are set out in under the table titled “Summary Compensation Table”.

The base salary established for each executive officer is intended to reflect each individual’s responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board. In deciding on the salary portion of the compensation of the executive officers, major consideration is given to the fact that the Issuer is an early stage Issuer and does not generate any material revenue and must rely exclusively on funds raised from equity financing. Therefore, greater emphasis may be put on incentive stock option compensation.

### Option Based Awards

The incentive stock option portion of the compensation is designed to provide the executive officers of the Issuer with a long term incentive in developing the Issuer’s business. Options granted under the Issuer’s Stock Option Plan are approved by the Board, after consideration of the Issuer’s overall performance and whether the Issuer has met targets set out by the executive officers in their strategic plan.

### Compensation of Named Executive Officers of the Issuer

During the period from incorporation on September 19, 2013 to December 31, 2015, the Issuer had four Named Executive Officers, Brian Peterson, Donald Gordon, Stephen Everitt and Antony Walter. Stephen Everitt, the former Chief Executive Officer, and Antony Walter, the former Chief Financial Officer, of the Company have never received any compensation from the Company; accordingly, they are not included in any of the NEO compensation tables below. The following table sets forth the compensation of the Named Executive Officers for the periods indicated:

**Summary Compensation Table**

Name and Principal Position	Period Ended	Salary (\$)	Bonus (\$)	Share-Based Awards (\$)	Option - Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation	Total Compensation
						Annual Incentive Plans	Long-term Incentive Plans			

Brian Peterson, CEO from September 19, 2013 to January 28, 2014 and from December 15, 2014 to July 26, 2016	December 31, 2015 December 31, 2014 December 31, 2013	Nil Nil Nil								
Donald Gordon, and CFO from September 19, 2013 to January 14, 2014 and from December 15, 2014 to present	December 31, 2015 December 31, 2014 December 31, 2013	Nil Nil Nil								

NEOs have no established compensation plan or arrangements at present given the equity position established for key persons and any change would be based on ability to pay after approval by the board.

#### Outstanding Share Based and Option Based Awards

As at December 31, 2015, there were no outstanding share-based awards or option-based awards outstanding:

Name	Number of Securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in the money options (\$)
Brian Peterson	Nil	N/A	N/A	N/A
Donald Gordon	Nil	N/A	N/A	N/A

#### Incentive Plan Awards Value Vested or Earned during the Year

As at December 31, 2015, no option based or share based awards had value vested.

#### Pension Plans Benefits

The Issuer does not have a pension plan or provide any benefits following or in connection with retirement.

#### Termination and Change of Control Benefits

The Issuer does not have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Issuer or from a change of control of the Issuer or a change in the executive officers' responsibilities following a change in control. In case of termination, termination benefits will be determined in accordance with the common and statutory law.

#### Compensation of Directors

The Issuer has no standard arrangement pursuant to which directors are compensated by the Issuer, for their services in their capacity as directors other than the unissued treasury shares that may be issued upon the exercise of the directors'

Stock Options. There has been no other arrangement pursuant to which directors are compensated by the Issuer in their capacity as directors.

### **Intended Changes to Compensation**

Following completion of the Share Exchange, the Issuer intends to review its compensation practices and may enter into consulting arrangements with its executive officers. NEO's have no established compensation plan or arrangements at present given the equity position established for key persons and any change would be based on ability to pay after approval by the board.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Prospectus, no director, executive officer or employee of the Issuer is or has been indebted to the Issuer at any time.

As at the date of this Prospectus, no director, executive officer or employee of PremierDR is or has been indebted to PremierDR at any time.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **Audit Committee**

The text of the Audit Committee's Charter is attached as Schedule "G".

### **Composition of the Audit Committee**

The members of the Audit Committee are Brenda Rasmussen, Brian Peterson and Katherine Badali.

Brian Peterson and Katherine Badali are independent as that term is defined in NI 52-110.

Brenda Rasmussen is not independent as that term is defined in NI 52-110.

All members of the Audit Committee are financially literate as that term is defined in NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

### **Relevant Education and Experience**

The members of the Audit Committee have gained their education and experience by participating in the management of various companies and all members are "financially literate" as defined in NI 52-110, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Ms. Brenda Rasmussen acquired her financial literacy while founding and leading Alegro Health Corp. (now Centric Health Corporation), a TSX listed public company.

Mr. Brian Peterson acquired his financial literacy while dealing with government and regulatory bodies with an emphasis on financial institution regulation.

Ms. Katherine Badali acquired her financial literacy during her tenure as Chief Operating Officer of Alegro Health Corp. (now Centric Health Corporation) in addition to while acting as president of Kathy Badali & Associates, an independent management consulting firm in Toronto.

### **Audit Committee Oversight**

At no time since inception was a recommendation of the Audit Committee made to nominate or compensate an external auditor

not adopted by the Board.

### Reliance on Certain Exemptions

At no time since inception has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (de minimis non-audit services), the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), the exemption in subsection 6.1.1(5) (Events Outside of Control of Member), the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### Pre-Approval of Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees

Nature of Services	Fees Paid (or accrued) to Auditor in respect of the financial year ended December 31, 2015 for Issuer	Fees Paid (or accrued) to Auditor in respect of financial year ended December 31, 2014 for the Issuer
Audit Fees <sup>(1)</sup>	\$7,770.00	\$5,250.00
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$7,770.00</b>	<b>\$5,250.00</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Issuer's financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services may include aggregate fees for due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. The auditor provided advice related to HST matters.
- (4) "All Other Fees" include all other non-audit services, in the aggregate.

### Exemption

The Issuer is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Issuer. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore these guidelines have not been adopted. The Issuer will continue to review and implement corporate governance guidelines as the business of the Issuer progresses and becomes more active in operations. National Instrument 58-101 Disclosure of Corporate Governance Practices mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

#### 1. Board of Directors

The mandate of the Board is to supervise the management of the Issuer and to act in the best interests of the Issuer. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Issuer's articles; and
- (c) other applicable laws and Issuer policies.

The Board approves all significant decisions that affect the Issuer before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Issuer's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Issuer's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems. The Board also monitors the Issuer's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Issuer's external auditor.

The Board is responsible for choosing the Chief Executive Officer and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Issuer's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Issuer's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Issuer's internal control processes and management information systems. The Board consults with the internal auditor and management of the Issuer to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Issuer's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Issuer are not considered independent. Directors who do not also act as officers of the Issuer, do not work in the day-to-day operations of the Issuer, are not party to any material contracts with the Issuer, or receive any fees from the Issuer except as disclosed in this Prospectus.

The Issuer's Board consists of four directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Brian Peterson and Katherine Badali are independent. Brenda Rasmussen is not independent as she is the Issuer's Chief Executive Officer, Donald Gordon is not independent as he is the Issuer's Chief Financial Officer.

## 2. Directorships

The directors of the Issuer currently hold directorships in other reporting issuers as follows:

Name	Name of Reporting Issuer	Name of Market	Position	From	To
Donald Gordon	Carrus Capital Corporation	TSXV	Director	01/2014	Present
	360 Capital Financial Services Inc.	CSE	Director	09/2013	Present
	Aida Minerals Corp.	CSE	Director, CFO	09/2013	Present
	Rift Valley Resources Corp.	CSE	Director	04/2013	Present
	Silk Road Finance Inc.	CSE	Director	04/2013	Present

	Web Watcher Systems Ltd.	N/A	Director, CFO	07/2013	Present
	0941092 B.C. Ltd.	N/A	Director, CFO	10/2011	Present
	Alternative Extracts Inc.	N/A	Director	10/2014	Present
	Aida Minerals Corp.	CSE	Director	09/2013	Present
	BioHEP Technologies Ltd.	N/A	Director	04/2011	Present
	BioDE Ventures Ltd.	N/A	Director	04/2011	Present
Brian Peterson	Web Watcher Systems Ltd.	N/A	Director	07/2013	Present
	0941092 B.C. Ltd.	N/A	Director	10/2011	Present
	Alternative Extracts Inc.	N/A	Director	10/2014	Present

### 3. Orientation and Continuing Education

The Board of the Issuer briefs all new directors on the policies of the Board and other relevant corporate and business information.

### 4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Issuer or an affiliate of the Issuer, (ii) is for indemnity or insurance for the benefit of the director in connection with the Issuer, or (iii) is with an affiliate of the Issuer. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Issuer at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Issuer for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Issuer and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### 5. Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Issuer, the ability to devote the time required, shown support for the Issuer's mission and strategic objectives, and a willingness to serve.

### 6. Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to

shareholders.

The Board decides the compensation of the Issuer's officers, based on industry standards and the Issuer's financial situation.

#### **7. Other Board Committees**

The Board has no committees other than the Audit Committee.

#### **8. Assessments**

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

### **PLAN OF DISTRIBUTION**

No securities are being offered or sold pursuant to this prospectus. This prospectus is being filed by the Company with its overseeing regulator. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and no Agent or Underwriter is involved.

Concurrently with the filing of this amended and restated prospectus, the Issuer made a full application for listing on the CSE by filing a listing statement. The Issuer made a preliminary application to the CSE on April 11, 2016. Listing is subject to the Issuer fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements which includes a specific requirement to add 75 independent shareholders contributing funds equal to \$2,500 each.

#### **Conditional Listing Approval**

The CSE has conditionally approved the listing of these securities. Listing is subject to the Issuer's fulfilling all of the requirements of the CSE.

### **RISK FACTORS**

#### **General**

The Common Shares should be considered highly speculative due to the nature of the Issuer's business, its operation is based in a foreign country, and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors could not possibly be an exhaustive definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer's operations. There may be other risks and uncertainties that are not known to the Issuer or that the Issuer currently believes are not material but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus.

The Issuer has a limited operating history that can be used to evaluate the Issuer.

The Issuer has no significant surplus financial resources and moderate revenues to date. Since the Issuer has a limited operating history, there can be no assurance that the business of the Issuer will sustain profitability or that the Issuer will maintain and grow sufficient revenues to cover its expenses and support its operations.

The Issuer may require financing to achieve any business objectives for growth and expansion. There can be no guarantees that future financing will be obtained. The inability to obtain such financing could prohibit the Issuer from executing any plans for growth of the business.

There can be no assurance that the Issuer will be able to obtain financing if and when it is needed on terms the Issuer deems acceptable. If the Issuer unable to obtain financing on reasonable terms, the Issuer could be forced to delay or scale back growth of its operations. In addition, such inability to obtain financing on reasonable terms particularly if expansion plans are undertaken could have an adverse effect on the Issuer's business, operating results, or financial condition.

The Issuer's future success is dependent, in part, on the performance and continued service of its Senior Executives. The Issuer

is presently dependent to a great extent upon the experience, abilities and continued services of Brenda Rasmussen, the Chief Executive Officer and Director of the Issuer. We currently do not have an employment agreement with Ms. Rasmussen, although she is a controlling shareholder.

There is no established market for the Shares of the Issuer. The Issuer, prior to the acquisition of PremierDR, has neither a history of earnings nor has it paid any dividends and it is unlikely pay dividends in the immediate future.

### **Risk Factors Related to the Issuer's Common Shares**

There is currently no public trading market for the Common Shares

Currently there is no public market for the Common Shares of the Issuer, and there can be no assurance that an active market for the Common Shares will develop or be sustained. There can be no assurance that the Common Shares of the Issuer will be listed on a stock exchange.

### **Volatility of Stock Price and Market Conditions**

The market price of the Common Shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Issuer is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Issuer should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Issuer should not constitute a major portion of an investor's portfolio.

### **Risk Factors Associated with PremierDR's Business**

#### **Key Personnel**

The future success of the Issuer will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified medical operational personnel. The Issuer may not be able to enlist, train, retain, motivate and manage the required personnel. Failure to attract and retain personnel, particularly medical and operational personnel, could make it difficult for the Issuer to manage its business and meet its objectives.

Failure to manage growth successfully may adversely impact the Issuer's operating results. The growth of the Issuer's operations places a strain on managerial, financial and human resources. The Issuer's ability to manage future growth will depend in large part upon a number of factors.

#### **Management of Growth**

The Issuer may be subject to growth-related risks including pressure on its internal systems and controls. The Issuer's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Issuer to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Issuer may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Issuer's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Issuer will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Issuer will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Issuer's operations or that the Issuer will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

#### **Regulatory and change in Government Risks**

PremierDR is partially dependent on nation-wide contracts from the ARL and a favourable legislative environment regarding the ARL vehicle accident liability insurance. An unanticipated change in government could have adverse effects on the legislative environment regarding the ARL and PremierDR's contract with the ARL. The ARL is PremierDR's largest customer

and an unfavourable change in the regulatory, legislative or political environment concerning the ARL and Dominican insurance law could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.

### **Currency Risk**

A change in the exchange rate between the Dominican peso and the Canadian dollar could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.

### **No dividend history**

No dividends have been paid by the Issuer to date. The Issuer anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Issuer's board of directors' after taking into account many factors, including the Issuer's financial condition and current and anticipated cash needs.

## **Risk Factors Related to Operating in the Dominican Republic**

### **Expropriation in the Dominican Republic**

The Dominican Republic has a minor risk of expropriation rating by the [theglobaleconomy.com](http://theglobaleconomy.com) (rated 2 in a range from 1= low, 7= high) which is 112 of 167 countries rated the higher the rank the lower the expropriation risk (Canada is 125). The US Department of State Investment Climate Statement for 2016 reports there are several dozen outstanding disputes by investors from the United States with the Dominican government concerning unpaid government contracts or expropriated property and businesses. The majority of expropriation cases are property claims. Although the Statement advises the ability to collect from an expropriation claim in the Dominican is difficult it notes that recent Dominican administrations have expropriated fewer properties than previous administrations and that compensation was usually paid in these cases. Most confiscations were used for the purposes of infrastructure or commercial development.

The Issuer's business doesn't rely on a large capital investment in property or infrastructure and is not considered to be significantly exposed to expropriation risk as a result

### **Corruption and Standards in the Dominican Republic**

Transparency International gave the Dominican Republic a score of 33 out of a possible 100 in its Corruption Perception Index 2015. The Dominican Republic is rated 103<sup>rd</sup> out of 168 countries sorted from lowest risk to highest assessed in the Corruption Perception Index 2015, Canada by comparison scores 83 out of 100 and ranked 9<sup>th</sup> in the world ranking.

The Basel AML ranking based on 14 measurements of 149 countries is used mainly for risk of money laundering and terrorism ranks the Dominican Republic at 36 from the highest risk country with a score of 6.74, Canada by comparison is ranked 105 with a score of 5.0. Overall the Dominican Republic places above the median ranking in world indexes for corruption and political risk.

The US Department of State Investment Climate Statement for 2016 notes that while there are public allegations of corruption against government officials none of these claims have been substantiated in the court system. However, the Statement describes corruption as an endemic problem in the Dominican government and private sector notwithstanding the Dominican Criminal Code criminalizes bribery and accepting bribes is punishable by fines and imprisonment.

The Issuer's officers and board of directors closely monitor the Issuer's operations to ensure that no business is conducted improperly. All material agreements and contracts are directly under the supervision and control of the CEO and her North American advisors to avoid any issues identified by these ranking agencies. The Issuer is aware that it is more likely to encounter obstacles arising out of corruption in the Dominican Republic than it would be in Canada and has designed the aforementioned practices of direct CEO and board supervision to minimize the chance that local corruption could have any adverse effect on the Issuer's operations.

### **Dispute Settlement and the Justice System in the Dominican Republic**

The Dominican legal system is civil law based on the Napoleonic code. Generally, the cost of a civil claim is high by North American standards: The World Bank's Doing Business 2016 report states that the Dominican ranked 115 out of 189 countries in enforcing contracts which took an average of 460 days and cost 41% of value of the claim on average. Canada by comparison

is ranked 49<sup>th</sup>, taking an average of 570 days and 22.3% of the claim amount to enforce.

The Dominican Republic is a party to the World Trade Organization, with disputes over World Trade Organization agreements handled by the World Trade Organization Dispute Settlement Panel and Appellate Body.

The Issuer is aware that should it be required to enter into litigation for the purpose of enforcing a contract that the litigation process would be less time consuming but more expensive relative to the value of the claim than it would be in Canada.

## **Risk Factors Related to the Industry of the Issuer**

### **Competition**

The rehabilitation market and expansion into medical tourism is highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- quality service and support;
- price;
- ability to comply with new and changing regulations;
- reputation and stability of the provider.

There can be no assurance that the Issuer will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the products of the Issuer to be superior to competing services.

### **Limited Location**

All of the Issuer's current and anticipated revenues will be derived from its existing Santiago clinic. Consequently, the Issuer's performance will depend on establishing market acceptance of its clinics and services, should it intend to open additional clinics in the same area or in another city. There can be no assurances that the Issuer will establish and maintain a position at the forefront of emerging service quality trends. Any reduction in anticipated future demand or anticipated future sales of these services or any increase in competition could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

### **Unfavourable Publicity or Consumer Perception**

PremierDR believes its business is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical and rehabilitative services provided. Consumer perception of the Issuer can be significantly influenced by regulatory investigations, litigation, media attention and other publicity regarding the quality and safety of its services.

PremierDR doesn't serve foreign clients from outside the Dominican but The Centers for Disease Control and Prevention in the US recommends that persons travelling to the Dominican Republic for medical procedures should consult with a health care provider before travel and should consider whether foreign health care providers meet quality standards of care.

In the event medical tourism became an area the Issuer wished to pursue it doesn't conduct any invasive medical procedures and carries out physiotherapy so it currently is highly regarded by the local clientele and wouldn't be affected significantly by malpractice publicity caused by providers of invasive medical operations.

### **Difficulty to Forecast**

PremierDR must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the modernization of the rehabilitation industry in the Dominican Republic.

### **Dependency on Government Agency**

While the ARL has been highly supportive of PremierDR in the past it is possible that this could change, and that the government legislation passed in recent years regarding the ARL and vehicle and liability insurance could be amended or replaced. A loss of ARL contracts and support or an unfavourable change in legislation concerning the ARL or insurance could

have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

## PROMOTERS

Brenda Rasmussen and Donald Gordon are considered to be "promoters" of the Company as the term "promoter" is defined in the Securities Act (British Columbia). Brenda Rasmussen owns 20,200,000 common shares of the Company (58.15% of the Company's outstanding shares) and Donald Gordon owns 260,000 common shares of the Company (0.75% of the Company's outstanding shares). Brenda Rasmussen and Donald Gordon have not received compensation from the Company, as described in this Prospectus.

For more information, see "Corporate Structure", "Executive Compensation", "Principal Shareholders", "Directors and Executive Officers", "Interest of Management and Others in Material Transactions" and "Material Contracts" for additional disclosure concerning the Company's promoters.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material pending legal proceedings or regulatory actions to which the Issuer is or is likely to be a party or of which any of its assets are or are likely to be the subject.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers hold Common Shares and may be granted options to purchase Common Shares in the future. See "Directors and Executive Officers" on page 25 and "Options to Purchase Securities" on page 23. Except as disclosed below, neither the directors, officers and principal shareholders of the Issuer, nor any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will material affect the Issuer.

The Issuer entered into the Share Purchase Agreement among the Issuer, PremierDR and Brenda Rasmussen dated February 1, 2016. Under the terms of the Share Purchase Agreement the Issuer acquired 99.9% of the shares of PremierDR from Brenda Rasmussen. See "Business Description" on page 17 and "Corporate Structure" on page 16. The transaction was an arm's length transaction. Brenda Rasmussen was neither a director, officer nor a principal shareholder of the Issuer at the time this agreement was negotiated and executed.

## AUDITORS, TRANSFER AGENTS AND REGISTRARS

### Auditor

The Issuer's auditor Buckley Dodds Parker LLP, at its Vancouver office located at 1185 W Georgia St, Vancouver, BC V6E 4E6.

### Registrar and Transfer Agent

The registrar and transfer agent of the Issuer is Integral Transfer Agency., at its Toronto office located at 203-100 Queen Street E., Toronto ON M5C 1S6.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer and PremierDR within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. The Moag Share Exchange Agreement among the Issuer and Winston Ventures Inc. dated July 29, 2015. Under the terms of the Moag Share Exchange Agreement the Issuer acquired 4,000,000 common shares of Moag Copper Gold Resources Inc. in exchange for issuing 20,000,000 common shares of the Issuer to Winston Ventures Inc. See "Business Description" on page 14 and "Corporate Structure" on page 16.
2. The Share Purchase Agreement among the Issuer, PremierDR and Brenda Rasmussen dated February 1, 2016. Under the terms of the Share Purchase Agreement the Issuer acquired 99.9% of the shares of PremierDR from Brenda

Rasmussen. See “Business Description” on page 14 and “Corporate Structure” on page 16.

3. The Share Exchange Agreement among the Issuer and Brenda Rasmussen dated February 1, 2016. Under the terms of the Share Exchange Agreement the Issuer acquired 1,000,000 common shares of Centric Health Corporation from Brenda Rasmussen in return for 200,000 units consisting of one common share and one common share purchase warrant of the Issuer. See “Business Description” on page 14 and “Corporate Structure” on page 16.

Copies of all material contracts and reports referred to in this Prospectus may be inspected at the registered office of the Issuer located at Suite 440 – 890 West Pender St., Vancouver, B.C. V6C 1J9 during normal business hours, as well as on the SEDAR website at [www.sedar.com](http://www.sedar.com) upon the Effective Date of this Prospectus.

## **EXPERTS**

No person or Issuer whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any associate or affiliate of the Issuer.

Buckley Dodds Parker LLP is the auditor of the Issuer. Buckley Dodds Parker LLP has advised that it is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. Cesar Laro & Associates S.R.L is the auditor of PremierDR

## **OTHER MATERIAL FACTS**

To management's knowledge, there are no other material facts relating to the Issuer that are not otherwise disclosed in this Prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Issuer.

## **FINANCIAL STATEMENTS**

The following financial statements are included herein:

- Audited financial statements of the Issuer for the financial years ended December 31, 2015 and December 31, 2014;
- Audited financial statements for PremierDR for the financial years ended December 31, 2015 and December 31, 2014;
- Interim (unaudited) financial statements of PremierDR for the interim period ended March 31, 2016;
- Interim (unaudited) financial statements of the Issuer for the interim period ended September 30, 2016;
- Interim (unaudited) financial statements of the Issuer for the interim period ended June 30, 2016;
- Management's Discussion and Analysis for the Issuer for the interim period ended September 30, 2016;
- Management's Discussion and Analysis for the Issuer for the interim period ended June 30, 2016 and the financial years ended December 31, 2015 and December 31, 2014;
- Management's Discussion and Analysis for PremierDR for the interim period ended March 31, 2016 and the financial years ended December 31, 2015 and December 31, 2014;

**SCHEDULE "A"**

**FINANCIAL STATEMENTS OF THE ISSUER**

**Audited financial statements of the Issuer for the financial years ended December 31, 2015 and  
December 31, 2014**

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**

Financial Statements

For the year ended December 31, 2015 and 2014  
(Expressed in Canadian dollars)

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Premier Health Group Inc.:

We have audited the accompanying financial statements of Premier Health Group Inc. (the "Company") which comprise the statements of financial position as at December 31, 2015, and the statements of comprehensive loss, changes in 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 as issued by the International Accounting Standards Board, 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 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 judgement, including the assessment of 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 audit 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 Premier Health Group Inc. as at December 31, 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements for year ended December 31, 2014 were audited by another accounting firm who issued an unqualified opinion.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, British Columbia  
April 28, 2016

"Buckley Dodds Parker LLP"  
Chartered Professional Accountants

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Statements of Financial Position**  
(Expressed in Canadian dollars)

		December 31, 2015	December 31, 2015
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		3,197	100
Taxes recoverable		1,501	-
Investments – available for sale	6	1	-
<b>Total Assets</b>		<b>4,699</b>	<b>375</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		14,293	-
Due to related parties	9	29,022	-
		<b>43,315</b>	<b>13,452</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	5	100	100
Fair value adjustment reserve	6	(399,999)	-
Shares to be issued	5	400,000	-
Deficit		(38,717)	(13,177)
		<b>(38,616)</b>	<b>(13,077)</b>
<b>Total liabilities and equity</b>		<b>4,699</b>	<b>375</b>
Nature of operations and going concern	1		
Corporate restructuring and commitments	4		

Approved and authorized for issuance by the Board of Directors on April 28, 2016:

“Brian Peterson”  
Brian Peterson, Director

“Donald Gordon”  
Donald Gordon, Director

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Statements of Comprehensive Loss**  
(Expressed in Canadian dollars)

	Year Ended December 31, 2015	Year Ended December 31, 2014
	\$	\$
<b>Expenses</b>		
Bank Charges	31	-
Professional fees	23,647	12,825
Regulatory fees	1,862	352
<b>Net loss</b>	<b>(25,540)</b>	<b>(13,177)</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(399,999)	-
<b>Attributable to shareholders</b>	<b>(425,539)</b>	<b>(13,177)</b>
<b>Basic and diluted loss per common share</b>	<b>(255.40)</b>	<b>(131.77)</b>
<b>Weighted average number of common shares outstanding</b>	<b>100</b>	<b>100</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	Number of Outstanding Shares	Share Capital	Fair value adjustment reserve	Shares to be issued	Deficit	Total
		\$	\$	\$	\$	\$
Shares issued on incorporation, September 19, 2013	100	100	-	-	-	100
<b>Balance, December 31, 2013</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>
Comprehensive loss	-	-	-	-	(13,177)	(13,177)
<b>Balance, December 31, 2014</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>(13,177)</b>	<b>(13,077)</b>
Fair value adjustment	-	-	(399,999)	-	-	(399,99)
Shares to be issued	-	-	-	400,000	-	400,000
Comprehensive loss	-	-	-	-	(25,540)	(25,540)
<b>Balance, December 31, 2015</b>	<b>100</b>	<b>100</b>	<b>(399,999)</b>	<b>400,000</b>	<b>(38,717)</b>	<b>(38,616)</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Year Ended December 31, 2015	Year Ended December 31, 2014
	\$	\$
<b>Cash provided by (used in) :</b>		
<b>Operating activities</b>		
Net loss	(25,540)	(13,177)
Change in non-cash working capital components:		
Taxes recoverable	(1,126)	(375)
Accounts payable and accrued liabilities	9,493	4,800
<b>Net cash used in operating activities</b>	<b>(17,173)</b>	<b>(8,752)-</b>
<b>Financing activities</b>		
Proceeds from related parties	20,370	8,652
Proceeds from incorporation shares	-	-
<b>Net cash provided by financing activities</b>	<b>20,370</b>	<b>8,652</b>
<b>Increase (decrease) in cash</b>	<b>3,197</b>	<b>(100)</b>
<b>Cash, beginning</b>	<b>-</b>	<b>100</b>
<b>Cash, ending</b>	<b>3,197</b>	<b>-</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2015 and 2014**  
**(Expressed in Canadian dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Health Group Inc. (Formerly Proelium MMA Acquisition Corp.) (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. is Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 500-900 West Hastings Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the “Arrangement Agreement”) with Web Watcher dated October 23, 2013. On July 15, 2013, Web Watcher had entered into a non-binding letter of intent (“LOI”) with TKDN MMA Entertainment Ltd. (“TKDN”). The intention of the LOI was to allow Web Watcher to purchase all the outstanding capital stock of TKDN by way of amalgamation. Under the Arrangement Agreement, Web Watcher assigned all of its interest in and to the LOI to the Company. As consideration for this Arrangement Agreement, the Company will issue 14,403,698 common shares to the Web Watcher shareholders. The LOI with TKDN was cancelled on December 9, 2014.

On August 27, 2015 the Company agreed to issue 20,000,000 common shares to Winston Ventures Inc. which is owned and controlled by Gary Brown, in consideration for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The number of shares exchanged reflects a ratio based on the trading value of MOG, a publicly listed company trading on the Canadian Securities Exchange. The 20,000,000 common shares will amount to 58% of the total issued shares of the Company after the Company issues 14,403,698 shares pursuant to the plan of arrangement and pursuant to the share exchange agreement with Winston Ventures Inc. Mr. Gary Brown is acquiring the shares of the Company for investment purposes. No shares have been issued as of December 31, 2015.

The Company is intending to commence its business in the healthcare industry and is negotiating an acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The proposed acquisition price is US\$ 1,500,000. The Company plans to issue an interest bearing Promissory Note in the amount of US\$ 1,500,000 which will be due five years from the date of the acquisition agreement. Final terms will be announced on closing.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The address of the Company’s corporate office and place of business is 520 - 800 W Pender Street, Vancouver, British Columbia, Canada

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. At December 31, 2015, the Company incurred a net loss of \$25,540 (2014 - \$13,177) and had an accumulated deficit of \$38,717 (2014 - \$13,177) which has been funded primarily by loans from related parties. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management’s control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

**Premier Health Group Inc.**  
**(Formerly Proelium MMA Acquisition Corp.)**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2015 and 2014**  
(Expressed in Canadian dollars)

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**2. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

The Company is not carrying on any business at the present time. All of these facts raise uncertainty about the Company's ability to continue as a going concern. The Company's ability to launch its operations, as intended is dependent on its ability to obtain necessary financing and raise capital sufficient to cover its marketing and other costs.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

**2. BASIS OF PRESENTATION**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss ("FVTPL") as described at Note 3, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**3. SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements 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 judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements 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.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Fair value of financial instruments

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

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's ability to carry out its business plan.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

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 can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.

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. No options are granted at present.

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 asset is not recognized. 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 shares outstanding are 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.

Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss (“FVTPL”), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Accounts payable	Other liabilities
Due to related parties	Other liabilities

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Impairment

i) 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 cash 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.

ii) 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).

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 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 measures net earnings for the period plus other comprehensive income. 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Segment reporting

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

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

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

*IFRS 15 - Revenue from contracts with customers*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

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

The following standards will be effective for annual periods beginning on or after January 1, 2019:

*IFRS 9 – Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after May 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

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**4. CORPORATE RESTRUCTURING AND COMMITMENTS**

As described in Note 1, the Company and Web Watcher entered into the Arrangement Agreement on October 23, 2013 to conduct a corporate restructuring to transfer Web Watcher's interest in the TKDN LOI to the Company. As consideration, the Company will issue 14,403,698 common shares to shareholders of Web Watcher. The Arrangement Agreement was approved by Web Watcher's shareholders on December 19, 2013 and by the Supreme Court of British Columbia on January 7, 2014. As of December 31, 2014, the 14,403,698 common shares have not been issued and the TKDN LOI had been cancelled.

The Company is intending to commence its business in the healthcare industry and is negotiating an acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The proposed acquisition price is US\$ 1,500,000. The Company plans to issue an interest bearing Promissory Note in the amount of US\$ 1,500,000 which will be due five years from the date of the acquisition agreement. Final terms will be announced on closing.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

**5. SHARE CAPITAL**

(a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

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**5. SHARE CAPITAL (continued)**

(c) 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. As at December 31, 2014, no options were granted or outstanding.

(c) Shares to be issued:

Pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company will deliver 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG"). 20,000,000 common shares will amount to 58% of the total issued shares of the Company after the Company issues 14,403,698 shares pursuant to the plan of arrangement and pursuant to the share exchange agreement with Winston.

No shares were issued by the company as of the date of these financial statements.

**6. AVAILABLE FOR SALE INVESTMENTS**

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG"). The shares were acquired from with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, in exchange for 20,000,000 common shares of the Company. The Company considers these investments to be strategic in nature. Fair values of these shares are determined by reference to published price quotations in an active market.

MOG shares were under ceased trading order at year end, and therefore, management of the Company took a conservative approach in valuing the investments in MOG shares at year end to \$1. Management is confident that the cease trading order of MOG will be lifted in the foreseeable future and expects the fair value of MOG will be higher than its current value.

**7. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

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**8. FINANCIAL INSTRUMENTS**

The Company's financial instrument consist of cash, available for sale investments, accounts payable and due to the related parties the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company currently has minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2015, the Company had \$3,197 cash and current liabilities of \$43,315.

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 insignificant.

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 the Canadian dollar. Therefore, the Company's exposure to currency risk is minimal.

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**9. RELATED PARTY TRANSACTIONS**

Web Watcher Systems Ltd. is the Company's parent company and will continue to be until the common shares described in Notes 1 and 4 have been issued.

As at December 31, 2015, the Company had \$29,022 due to a director and a company related to a director (December 31, 2014- 8,652). These balances are non interest bearing and are due on demand.

**10. INCOME TAXES**

The Company has approximate accumulated non-capital losses expire as follows: Tax attributes are subject to revision and potential adjustment by tax authorities. The non-capital losses will expire as follows:

<b>Years of Expiry</b>	<b>Losses</b>
	\$
2035	13,177
2036	25,540
<b>Total</b>	<b>38,717</b>

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

	<b>2015</b>	<b>2014</b>
	\$	\$
Loss for the period	<b>(25,540)</b>	<b>(13,177)</b>
Computed income taxes recovery at statutory		
Rate at 26% (2014 – 26%)	<b>(6,640)</b>	<b>(3,426)</b>
Change in unrecognized deferred tax assets	<b>6,640</b>	<b>3,426</b>
	-	-

The significant components of the Company's future tax assets, after applying enacted corporation income tax rates of 26%, are as follows:

	<b>2015</b>	<b>2014</b>
	\$	\$
Non-capital losses	6,640	3,426
Less: Unrecognized deferred tax assets	(6,640)	(3,426)
	-	-

Deferred income tax assets of \$6,640 have not been recognized in respect of these items because it is not probable that the Company will be able to generate sufficient taxable income upon which these deferred tax assets can be realized.

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**11. SUBSEQUENT EVENTS**

The Company has analyzed its operations from December 31, 2015 to the date these financial statements were issued, April , 2016, and has determined that it does not have any material subsequent events to disclose in these financial statements.

**SCHEDULE "B"**

**MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER**

**MDA of the Issuer for the Financial years ended December 31, 2015 and December 31, 2014**

# **Premier Health Group Inc.**

## MANAGEMENT DISCUSSION AND ANALYSIS

For the Period Ended December 31, 2015 and December 31, 2014

As at April 29, 2016

## INTRODUCTION

### General

The Company was incorporated on September 13, 2013 under the Business Corporations Act (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. ("Web Watcher"). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the "Arrangement").

On July 15, 2013, Web Watcher had entered into a non-binding letter of intent ("LOI") with TKDN MMA Entertainment Ltd. ("TKDN"). The intention of the LOI was to allow Web Watcher to purchase all the outstanding capital stock of TKDN by way of amalgamation. Under the Arrangement, Web Watcher assigned all of its interest in and to the LOI to the Issuer. As consideration for the LOI, the Issuer agreed to issue 14,403,698 common shares to the Web Watcher shareholders. The LOI with TKDN was subsequently cancelled due to lack of funding to proceed on December 9, 2014. The Company subsequently changed its name to Premier Health Group Inc. on July 9, 2015.

On August 27, 2015, the Issuer agreed to acquire 4,000,000 shares of Moag Copper Gold Resources Inc. ("Moag") or x% of that company for investment purposes pursuant a share exchange agreement by issuing 20,000,000 common shares of the Issuer at a deemed price of \$0.02 per share as consideration. On August 27, 2015 the shares of Moag were trading on the Canadian Securities Exchange at \$0.10 per share. Moag was subject to a cease trade order dated October 13, 2015, made by the Director of the Ontario Securities Commission pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Securities Act (Ontario), and which was extended by a further cease trade order dated October 26, 2015.

The Issuer agreed to acquire 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX in consideration for 200,000 units for investment purposes, each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

On October 8, 2015 the Issuer agreed to acquire all the shares of a Dominican company Premier Clinicas de Rehabilitacion Precer, S. R. L. ("PremierDR") for US\$ 1,500,000 by issuing a promissory note to the vendor. The promissory note is due on October 8, 2020 and bears an annual simple interest of 8.5%. The vendor can convert any amount of the notice and interest into common shares of the Subsidiary at CA\$ 5.00 per share. The Issuer has the right to prepay any amount of the outstanding principal and the interest of the promissory note without a penalty before the due date of the promissory note.

Our head office is located at 440-890 W Pender St, Vancouver, BC V6C 1E5 and registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1E5.

## **Basis of Discussion & Analysis**

This management discussion and analysis ("Annual MD&A") is dated as of April 29 , 2015 and should be read in conjunction with the audited financial statements of the Company as at December 31, 2015.

Our discussion in this Annual MD&A is based on the Audited Financial Statements prepared in accordance with International Financial Reporting Standards. ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

## **Basis of Discussion & Analysis (continued)**

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **THE COMPANY AND BUSINESS**

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR is a wholly owned subsidiary of Premier Health Group Inc., ("Premier Group") a public health care company domiciled in Canada. The company's flagship location opened in Santiago, DR in January 2011. Santiago is the country's second largest city, with a population of 1,200,000, and was selected as an ideal location for the initial facility. Visit PremierDR at [www.premiersaludrd.com](http://www.premiersaludrd.com) and see the video under the heading "nosotros".

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

According to Price Waterhouse Coopers 2014 Report on "Doing Business in the DR", the DR economy is the largest in the Caribbean and Central America. It is an upper-middle-income country, reliant on the service sector. The most prominent economic activities are tourism, retail, manufacturing and financial services. The government is encouraging foreign investment and working to position the DR as the primary destination in the Caribbean for foreign investors. However, the same business channels are open to domestic and foreign investors alike. There are no major restrictions on foreign investment, and investors can repatriate their profits and capital subject to a labour law making it mandatory to share 10% of the company's profits with employees.

According to the Canada Export Corporation Spring 2016 Report, the DR is the second-largest country in the Caribbean, with a population of approximately 10.4 million. At US\$62 billion, the DR has also the largest economy in the Caribbean and Central America, and has been one of the countries with highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors.

After the successful founding and exit from health clinic company Alegro (Now Centric Health Corp CHH on TSX) Brenda Ramussen became aware of health care, and especially rehabilitation, opportunities in the Dominican Republic.

Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL") Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

Given the shortage of quality rehabilitation available throughout the country, PremierDR opened in January, 2011. The company introduced North American standards of rehabilitation practices and assessment methodology to the Dominican Republic for the first time.

The ARL has been an ardent supporter of PremierDR. The agency has been extremely pleased with the clinic's assessment and treatment methodologies. Patient outcomes and cost/benefit factors are far superior to anything previously available in the Dominican Republic. The President and senior executives of the ARL have asked Ms. Rasmussen and PremierDR to help develop rehabilitation protocols for the entire country and have asked for rapid expansion of PremierDR locations throughout the Dominican Republic. The company is the only provider in the country capable of fulfilling this mandate and is unique in being approached on this basis.

Because of the advanced treatment methodologies and high level of equipment and technology being made available for the first time (and imported from the United States) the facility received a great deal of media attention. In addition to numerous newspaper features, founder and President Brenda Rasmussen has appeared on television on numerous occasions.

A 6,000 sq. ft. facility was leased and after a period of introduction, PremierDR now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

#### PremierDR Rehabilitation and Assessment Services

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

#### Customer Base and Payment Schedules

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. The company has treated several Major League Baseball players who return to their homeland in the off season. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

It should be noted that volume of private payers is larger than originally anticipated, primarily due to the fact that there is a larger cohort of wealthy and professional individuals in the Dominican Republic than general economic data might suggest.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions.

Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

### **SELECTED ANNUAL INFORMATION**

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	<b>For the Year Ended December 31, 2015</b>	<b>For the Year Ended December 31, 2014</b>
	\$	\$
Revenues	-	-
Expenses	25,540	13,177
Net loss	(25,540)	(13,177)
Loss per common share	(255.40)	(131.77)
Total assets	4,698	375
Total liabilities	43,315	13,452
Dividends declared	-	-

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### **Additional Disclosure for Venture issuers without Significant Revenue**

The Company was not in active operations as at December 31, 2015. The net loss was attributed to the basic operating expenses, which include auditing fees, accounting fees, legal fees and regulatory filings fees.

### **RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS**

The Company has not commenced operations other than acquisition of investments and there were no operations for its period ended December 31, 2015.

### **LIQUIDITY AND CAPITAL RESOURCES**

#### **Changes in Cash Position**

	Year Ended December 31, 2015 \$	Year Ended December 31, 2014 \$
<b>Cash (used in) /provided by:</b>		
<b>Net cash used in operating activities</b>	<b>(17,173)</b>	<b>(8,752)</b>
<b>Net cash provided by financing activity</b>	<b>20,370</b>	<b>8,652</b>
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Increase in cash</b>	<b>3,197</b>	<b>(100)</b>
<b>Cash, beginning of period</b>	<b>-</b>	<b>100</b>
<b>Cash, ending of period</b>	<b>3,197</b>	<b>-</b>

As at December 31, 2014, the Company had \$3,197 in cash. The Company had current assets of \$ 4,698, current liabilities of \$43,315, with a working capital deficiency of \$38,617. The Company has to rely upon the sale of equity securities primarily through private placements for the cash required for acquisitions, exploration and development, and operating expenses.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## SELECTED QUARTERLY INFORMATION

### RESULTS OF OPERATIONS

	Three month Ended December 31, 2014	Three months ended September 30, 2015	Three month Ended June 30, 2015	Three month Ended March 31, 2015
Revenues	-	-	-	-
Net loss	(10,905)	(2,730)	(2,450)	-
Loss per common share	(109.05)	(27.30)	(24.50)	-

	Three month Ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Three months ended March 31, 2014
Revenues	-	-	-	-
Net loss	(12,825)	-	-	(352)
Loss per common share	(128.25)	-	-	(3.52)

### PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

### SHARE CAPITAL

(a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On September 19, 2013, 100 shares were issued for the incorporation of the Company at \$1 per share.

(c) 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. As at December 31, 2015, no options were granted or outstanding.

## **CAPITAL RESOURCES**

The Company's future capital requirements will depend on many factors, including, among others, property acquisitions and future mineral exploration expenditures. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay future mineral exploration expenditures or property acquisitions and it could be at risk to default on the ongoing payment terms of the option agreement.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instrument consist of cash, accounts payable and due to the related parties the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company currently has minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2015, the Company had \$3,197 cash and current liabilities of \$43,315.

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 insignificant.

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 the Canadian dollar. Therefore, the Company's exposure to currency risk is minimal.

## **RELATED PARTY TRANSACTIONS**

Web Watcher Systems Ltd. is the Company's parent company and will continue to be until the issuance of common shares under Arrangement Agreement.

As at December 31, 2015, the Company had \$29,022 due to a director and a company related to a director (December 31, 2014- 8,652). These balances are non interest bearing and are due on demand.

## **INCOME TAXES**

As at December 31, 2015, the Company had non-capital losses carried forward of \$38,717 which is available for deduction against future Canadian taxable income. The non-capital loss will expire in 2034. A deferred income tax asset of \$6,640 was not recognized due to the uncertainty of utilization of this amount.

## **RISKS AND UNCERTAINTIES**

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

### **Start-Up Venture**

As a Company seeking a new venture the Company's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its operations, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it can be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. There is no assurance that it can raise the funds to acquire a feasible business venture or if so, that it can carry them out profitably.

### **Uninsured Risks**

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

### **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**SCHEDULE “C”**

**FINANCIAL STATEMENTS OF PremierDR**

**Audited financial statements of PremierDR for the fiscal years ended December 31, 2015 and  
December 31, 2014**

**Interim (unaudited) financial statements of PremierDR for the interim period ended  
March 31, 2016**

## INTERIM REVIEW REPORT

To: the Management of  
Premier Clinicas de Rehabilitación, S. R. L.

We have reviewed the interim statement of financial position of Premier Clinicas de Rehabilitación, S. R. L. as at March 31, 2016, the interim statements of operations and comprehensive loss, the statements of cash flows, and the changes in equity for the three months period ended March 31, 2016. These condensed interim financial statements are the responsibility of the Company's management.

We performed our review in accordance with International Standards on Auditing for a review of interim condensed financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these interim condensed financial statements to be in accordance with International financial reporting standards.

This report is solely for the use of the Management of Premier Clinicas de Rehabilitacion, S.R.L. to assist in discharging its obligation to review these interim condensed financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party, we accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Santiago, Dominican Republic  
July 18, 2016



Cesar Laro & Asociados  
Asesores Impositivos y Financieros  
Contadores Públicos Independientes  
Miembros No. 99560 ICPARD

**PREMIER CLINICAS DE REHABILITACION, S. R. L.**

**CONDENSED INTERIM FINANCIAL REPORT**

**THREE MONTHS ENDED MARCH 31, 2016**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

**PREMIER CLINICAS DE REHABILITACION, S.R.L.****Condensed Interim Statements of Financial Position****(Expressed in Canadian Dollars)**

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 9,214	\$ 11,700
Accounts receivable (note 4)	153,804	158,251
Prepaid	3,757	5,726
Medical supplies	13,473	11,053
<b>Total current assets</b>	<b>180,248</b>	<b>186,730</b>
<b>Non-current assets</b>		
Leasehold improvements (note 5)	12,671	13,338
Property and equipment (note 5)	52,999	56,001
<b>Total assets</b>	<b>245,918</b>	<b>256,069</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and other liabilities	\$ 55,754	\$ 59,743
Short-term loans (note 6)	5,852	3,527
<b>Total current liabilities</b>	<b>61,606</b>	<b>63,270</b>
<b>Non-current assets</b>		
Long-term loan (note 6)	34,864	39,512
Due to related party (note 8)	298,529	321,410
<b>Total liabilities</b>	<b>394,999</b>	<b>424,192</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	2,846	2,846
Legal reserve (note 7)	142	-
Currency translation adjustment (note 7)	(5,971)	(22,182)
Deficit	(146,098)	(148,787)
<b>Total shareholders' equity</b>	<b>(149,081)</b>	<b>(168,123)</b>
<b>Total liabilities and equity</b>	<b>\$ 245,918</b>	<b>\$ 256,069</b>
<b>Nature of operations (Note 1)</b>		

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



**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**Condensed Interim Statement of Operations and Comprehensive Income**  
**(Express in Canadian Dollars)**

	Three months ended March 31, 2016
<b>Revenue</b>	\$ <u>86,725</u>
<b>Expenses</b>	
Salary and related expenses	34,131
Rent	18,445
Consulting fees	7,048
Utilities	3,562
Depreciation (note 5)	3,669
Interest and bank charges	6,248
Office and medical supplies	1,292
Advertising	2,387
Repair and maintenance	2,600
Professional fees	4,033
Fuel	603
Insurance	286
Other expenses	277
<b>Total operating expenses</b>	<u>84,581</u>
<b>Income before other items</b>	<b>2,144</b>
Statutory legal reserve (note 7)	(142)
Gain on debt restructuring	2,285
<b>Income before income tax and employee statutory profit sharing</b>	<b>4,287</b>
Employee statutory profit sharing	(443)
Current income tax	(1,155)
<b>Net income for the period</b>	<u><b>2,689</b></u>
<b>Other comprehensive income</b>	
Cumulative translation adjustment (note 7)	<u>16,211</u>
<b>Income and comprehensive income for the period</b>	<b>\$ <u>18,900</u></b>

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



**PREMIER CLINICAS DE REHABILITACION, S.R.L.**

**Condensed Interim Statement of Cash Flows**

**(Expressed in Canadian Dollars)**

Three months  
ended March  
31, 2016

<b>Operating activities</b>	
Income for the year	\$ 18,900
Items not affecting cash:	
Statutory legal reserve	142
Depreciation	3,669
	<u>22,711</u>
Changes in non-cash working capital item:	
Accounts receivable	4,447
Prepaid	1,969
Medical supplies	(2,420)
Accounts payable and other liabilities	(3,989)
Due to related parties	(22,881)
	<u>(163)</u>
<b>Investing activities</b>	
(Cash used in) provided by investing activities	<u>-</u>
<b>Financing activities</b>	
Net loan proceeds	<u>(2,323)</u>
Cash used in financing activities	<u>(2,323)</u>
<b>Increase in cash during the period</b>	<u>(2,486)</u>
<b>Cash, beginning of the period</b>	<u>11,700</u>
<b>Cash, end of the period</b>	<u>\$ 9,214</u>

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



**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**CONDENSED INTERIM STATEMENT OF SHAREHOLDERS' DEFICIENCY AND DEFICIT**  
 (Expressed in Canadian Dollars)

	Share Capital Number	Amount	Cumulative Translation Adjustment	Legal Reserve	Deficit	Total
Balance as at December 31, 2014	100	\$ 2,846	\$ 12,251	-	\$ (150,742)	\$ (135,645)
Cumulative translation adjustment	-	-	(34,433)	-	-	(34,433)
Net income for the period	-	-	-	-	1,955	1,955
Balance as at December 31, 2015	100	2,846	(22,182)	-	(148,787)	(168,123)
Cumulative translation adjustment	-	-	16,211	-	-	16,211
Legal reserve	-	-	-	142	-	142
Net income for the three months period	-	-	-	-	2,689	2,689
<b>Balance as at March 31, 2016</b>	<b>100</b>	<b>\$ 2,846</b>	<b>\$ (5,971)</b>	<b>\$ 142</b>	<b>\$ (146,098)</b>	<b>\$ (149,081)</b>

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



## Premier Clinicas de Rehabilitacion, S. R. L.

### NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS

Three months ended March 31, 2016

(Expressed in Canadian Dollars)

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#### 1. NATURE OF OPERATIONS AND GOING CONCERN

Premier Clinicas de Rehabilitacion, S.R.L. (the "Company") was incorporated on September 19, 2010 under the laws of the Dominican Republic. The Company provides but is not limited to medical consultation & evaluation, physiotherapy rehabilitation and physical conditioning to patients with sports injuries, workplace injuries or other physical injuries.

On September 30, 2014, the Company changed its type of business structure from Limited Liability Company to Individual Limited Liability Company as Brenda Rasmussen became the sole proprietor of the business entity by acquiring additional 50 common shares with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each.

The Company's registered address and the records are held at Av. Juan Pablo Duarte, Plaza las Barajas, Mod. 101, Santiago, Dominican Republic.

The Company's condensed interim financial statements are presented in Canadian dollars.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2016, the Company had a working capital of \$114,885 (December 31, 2015: \$117,734). The Company has incurred negative cash flows from operations of \$163 for the three months period ended March 31, 2016, and has a deficit of \$146,098 (December 31, 2015: \$148,787) as at March 31, 2016. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing through increasing its service revenue, borrowing and increase its profitability. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

#### 2. BASIS OF PREPARATION

##### Statement of Compliance

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

##### Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified, which is different from the functional currency of the Company.

##### Foreign currency translation

Balances included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional is the Dominican peso.

Transactions denominated in currencies other than the Dominican peso are translated using the exchange rate in effect on the transaction date or at an average rate. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical rates. Exchange gains or losses on translation are recorded in the statements of operations and comprehensive loss.



### Use of Estimates and Judgments

The preparation of these condensed interim 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 condensed interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

In particular, information about significant areas of estimation uncertainty and judgment considered by management in preparing the condensed interim financial statements includes:

#### Judgment

- The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.
- The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

#### Estimates:

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company which require management to make certain estimates, judgments, and assumptions about the suit. In the opinion of management, any provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. Management is not aware of any material contingent liabilities which require recording in the condensed interim financial statements.

### 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 and comprehensive loss.

*Available for sale* - These assets are non-derivative financial assets designated on initial recognition. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of equity. Cumulative gains or losses recognized in equity are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

*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 and comprehensive loss.

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.



## Premier Clinicas de Rehabilitacion, S. R. L.

### NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS

Three months ended March 31, 2016

(Expressed in Canadian Dollars)

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is 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 and comprehensive loss.

*Other financial liabilities*: This category includes loans, amounts due to related parties and accounts payables and other liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's payable to related party is as a loan. The Company's accounts payable and other liabilities loans are classified as other financial liabilities.

#### Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of income and comprehensive income.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment is recognized in the statement of income and comprehensive income.

#### Cash and cash equivalents

Cash and cash equivalents include cash on deposit and short-term investments that have a term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as long-term investments.

#### Accounts receivable

Accounts receivable are reported at realizable value, net of provisions for discounts and the allowance for doubtful accounts.

#### Property and equipment

Property and equipment is recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The depreciation rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

Depreciation on leasehold improvements is calculated on the straight-line method over the term of the respective lease agreement, which expires in 2020.

The Company records no depreciation in the year of acquisition.



## Premier Clinicas de Rehabilitacion, S. R. L.

### NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS

Three months ended March 31, 2016

(Expressed in Canadian Dollars)

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#### Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months, otherwise they are presented as non-current liabilities.

#### Provisions

When the Company has a present legal or constructive obligation as a result of a past event, a provision is recognized only when the obligation can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as finance expense.

#### Income tax (IT) and Employee Statutory Profit Sharing (ESPS)

IT and ESPS payable for the year are determined in conformity with the tax provisions in effect.

The IT rate for fiscal 2016 and thereafter shall be 29% and ESPS shall be 10%.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

#### *Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

#### Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018) replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount.
- IAS 1 – *Presentation of Financial Statements* (effective January 1, 2016) represents amendments outlining disclosure initiatives relating to materiality, ordering of the notes, subtotals, accounting policies and disaggregation with an aim of clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.



**Premier Clinicas de Rehabilitacion, S. R. L.**  
 NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS  
 Three months ended March 31, 2016  
 (Expressed in Canadian Dollars)

**3. CAPITAL MANAGEMENT**

The Company manages its capital structure based on the funds available to the Company in order to support the continuation and expansion of its operations. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	March 31, 2016 \$	December 31, 2015 \$
Trade receivables	125,404	132,909
Recoverable income taxes	28,400	16,991
Recoverable value added tax	-	8,351
	\$ 153,804	\$ 158,251

**5. PROPERTY PLANT AND EQUIPMENT**

	Office furniture and equipment	Machinery and equipment	Vehicle	LHI	Total
<b>Cost</b>					
Balance at December 31, 2014	62,993	48,386	46,696	-	158,075
Additions or disposals	-	-	-	13,338	13,338
Balance at December 31, 2015	62,993	48,386	46,696	13,338	171,413
Additions or disposals	-	-	-	-	-
Balance at March 31, 2016	\$ 62,993	\$ 48,386	\$ 46,696	\$ 13,338	\$ 171,413
<b>Accumulated depreciation</b>					
Balance at December 31, 2014	49,915	24,944	11,674	-	86,533
Depreciation for the year	3,269	3,516	8,756	-	15,541
Balance at December 31, 2015	53,184	28,460	20,430	-	102,074
Depreciation for the period	613	747	1,642	667	3,669
Balance at March 31, 2016	\$ 53,797	\$ 29,207	\$ 22,072	\$ 667	\$ 105,743

Carry amount  
 At December 31, 2015                   \$ 9,809                   \$ 19,926                   \$ 26,266                   \$ 13,338                   \$ 69,339

Carry amount  
 At March 31, 2016                   \$ 9,196                   \$ 19,179                   \$ 24,624                   \$ 12,671                   \$ 65,670

During the year ended December 31, 20105, the Company capitalized leasehold improvements which consisted of work performed at the leasing facility such as: construction of washrooms for patients, creation of a kid's playground/therapy room, retention files room, painting room and a customer service area. In addition, there were other minor renovations done internally.



## Premier Clinicas de Rehabilitacion, S. R. L.

### NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS

Three months ended March 31, 2016

(Expressed in Canadian Dollars)

#### 6. LOANS

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at March 31, 2016, the Company owes \$5,852 (December 31, 2015: \$3,527)

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at March 31, 2016, the Company owes \$34,864 (December 31, 2015: \$39,512). The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

#### 7. SHARE CAPITAL AND RESERVES

##### a) Structure of capital

The Company's capital stock at March 31, 2016 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.

##### b) Cumulative Translation Adjustment

Reserves comprise of cumulative unrealized gains and losses on foreign exchange.

##### c) Legal Reserve

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of share capital. As of March 31, 2016, the statutory reserve amounts to \$142, and has not reached the required amount.

#### 8. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

For the three months ended March 31, 2016, the sole shareholder paid expenses on behalf of the Company in the amount of \$7,048. As at March 31, 2016, the Company owes \$298,529 (December 31, 2015: \$321,410).

#### 9. SEGMENTED INFORMATION

The Company operates in one industry segment, the healthcare industry, and one geographical segment, Dominican Republic.

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

#### 10. FINANCIAL RISK FACTORS

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

##### (i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

##### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.



**Premier Clinicas de Rehabilitacion, S. R. L.**

NOTES TO CONDENSED INTERIM THE FINANCIAL STATEMENTS

Three months ended March 31, 2016

(Expressed in Canadian Dollars)

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(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At March 31, 2016 Company has outstanding loans with third parties for the aggregate amount of \$40,716 (December 31, 2015: \$43,039).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At March 31, 2016, the Company held no significant financial instruments that were denominated in other than Dominican currency.

**11. COMPARATIVE NUMBERS**

Certain comparative numbers were reclassified to conform with the financial statement presentation adopted for 2016.



**THE ATTACHED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

This Management Discussion and Analysis ("MD&A") is dated July 18, 2016 and should be read in conjunction with the condensed interim financial statements for the three months period ended March 31, 2016; together with the corresponding notes of Premier Clinicas de Rehabilitacion, S.R.L. ("PremierDR") therein. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

The interim 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"). The accounting policies applied in these financial statements are based on IFRS issued and outstanding as of July 18, 2016.

## **BUSINESS OVERVIEW**

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. The Company also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

## **MARKET AND ECONOMIC CONDITIONS OVERVIEW**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cubato the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

According to the Canada Export Corporation Spring 2016 Report, the DR is the second-largest country in the Caribbean, with a population of approximately 10.4 million. At US\$62 billion, the DR has also the largest economy in the Caribbean and Central America, and has been one of the countries with highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors.

After the successful founding and exit from health clinic company Alegro (Now Centric Health Corp CHH on TSX) Brenda Ramussen became aware of health care, and especially rehabilitation, opportunities in the Dominican Republic.



Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL") Spanish acronym for *Administradora de Riesgos Laborales*), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

Given the shortage of quality rehabilitation available throughout the country, the Company opened in January, 2011. The company introduced North American standards of rehabilitation practices and assessment methodology to the Dominican Republic for the first time.

Because of the advanced treatment methodologies and high level of equipment and technology being made available for the first time (and imported from the United States) the facility received a great deal of media attention. In addition to numerous newspaper features, founder and President Brenda Rasmussen has appeared on television on numerous occasions.

A 6,000 sq. ft. facility was leased and after a period of introduction, Premier Clinicas de Rehabilitacion now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

### **Customer Base and Payment Schedules**

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. The company has treated several Major League Baseball players who return to their homeland in the off season. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions.

Premier Clinicas de Rehabilitacion offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.



## SUMMARY FINANCIAL DATA

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company at March 31, 2016, which has been prepared in accordance with IFRS.

	<b>Three months ended March 31, 2016</b>	
Revenue	\$	(86,725)
Expenses	\$	84,036
Net income	\$	(2,689)
Income per share	\$	(2.69)
Share capital	\$	2,846
Common shares issued		1,000
Weighted average shares outstanding		1,000
Total Assets	\$	245,918
Net Assets	\$	(149,081)
Cash Dividends Declared per Common Shares	\$	Nil

## PERIOD HIGHLIGHTS

The net income was attributed to the basic operating expenses, which include service revenue, employee related expenses, rent, interest on loans, and among others.

## LIQUIDITY AND CAPITAL RESOURCES

The Company had cash totaling \$9,214 at March 31, 2016, a decrease of \$2,486 from December 31, 2015. As at March 31, 2016, the Company had a working capital of \$114,885 (December 31, 2015: \$117,734).

Liquidity and capital resources refer to the Company's ability to generate sufficient cash flow to fund ongoing operations and capital commitments, as well as its ability to invest in growth opportunities. The Company's primary capital needs are the funds required to support its daily clinical activities and fund future acquisition opportunities. Management is able to delay certain capital needs, if necessary, in order to ensure sufficient capital resources exist to continue to satisfy the most immediate needs of the business.



### *Banco Popular*

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at March 31, 2016, the Company owes \$34,864 (December 31, 2015: \$39,512). The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

### *Inversiones Compres Perez, S.R.L.*

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at March 31, 2016, the Company owes \$5,852 (December 31, 2015: \$3,527)

## **CASH FLOWS**

The Company has historically been able to fund its recurring operations through the cash flows generated by its operations. Acquisition activity has historically been funded through various forms of financing, including revolving loans, unsecured promissory note and related party advances.

## **RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment;

For the three months ended March 31, 2016, the sole shareholder paid expenses on behalf of the Company in the amount of \$7,048. As at March 31, 2016, the Company owes \$298,529 (December 31, 2015: \$321,410).

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **CRITICAL ACCOUNTING**

There are no critical accounting estimates.

## **FUTURE ACCOUNTING CHANGES**

### *New standards and interpretations not yet adopted*

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018) replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount.



- IAS 1 – *Presentation of Financial Statements* (effective January 1, 2016) represents amendments outlining disclosure initiatives relating to materiality, ordering of the notes, subtotals, accounting policies and disaggregation with an aim of clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable.

The Company is exposed to varying degrees to a variety of financial instrument related risks

(i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At March 31, 2016 Company has outstanding loans with third parties for the aggregate amount of \$40,716 (December 31, 2015: \$43,039).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At March 31, 2016, the Company held no significant financial instruments that were denominated in other than Dominican currency.

## OTHER MD&A REQUIREMENT

The Company's capital stock at March 31, 2016 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.



**PREMIER CLINICAS DE REHABILITATION, S. R. L.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

To: the Management of  
Premier Clinicas de Rehabilitacion, S.R.L.

We have audited the accompanying financial statements of Premier Clinicas de Rehabilitacion, S.R.L., which comprise the statement of financial position as at December 31, 2014 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year 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 audit. We conducted our audit in accordance with International Auditing on 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.

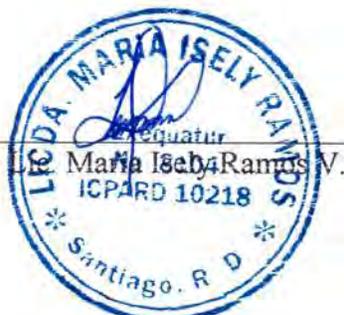
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Premier Clinicas de Rehabilitación, S.R.L. and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



**PREMIER CLINICAS DE REHABILITACION, S.R.L.****Balance Sheet****(Expressed in Canadian Dollars)**

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 6,538	\$ 295
Accounts receivable (note 3)	121,504	71,093
Prepaid	4,720	3,265
<b>Total current assets</b>	<b>132,762</b>	<b>74,653</b>
<b>Non-current assets</b>		
Property and equipment (note 4)	71,542	92,218
<b>Total assets</b>	<b>204,304</b>	<b>166,871</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and other liabilities	\$ 37,507	\$ 35,531
Short-term loans (note 5)	26,240	20,054
<b>Total current liabilities</b>	<b>63,747</b>	<b>55,585</b>
<b>Non-current assets</b>		
Due to related party (note 7)	276,202	238,725
<b>Total liabilities</b>	<b>339,949</b>	<b>294,310</b>
<b>Shareholders' equity</b>		
Share capital (note 6)	2,846	2,846
Reserve (note 6)	12,251	18,283
Deficit	(150,742)	(148,568)
<b>Total shareholders' equity</b>	<b>(135,645)</b>	<b>(127,439)</b>
<b>Total liabilities and equity</b>	<b>\$ 204,304</b>	<b>\$ 166,871</b>
<b>Nature of operations (Note 1)</b>		

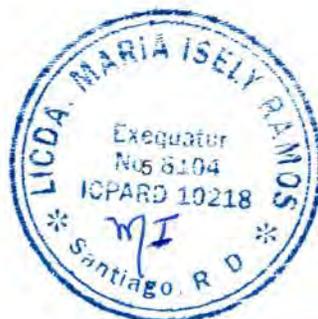
The accompanying notes are an integral part of these financial statements.



**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**Statements of Operations and Comprehensive Loss**  
**(Express in Canadian Dollars)**

	December 31, 2014	December 31, 2013
<b>Revenue</b>	\$ 326,861	\$ 290,811
<b>Expenses</b>		
Salary and related expenses	119,473	109,330
Rent	53,729	66,755
Consulting fees	29,551	41,123
Utilities	21,231	23,402
Depreciation (note 4)	20,676	19,649
Advertising	14,333	20,749
Office and medical supplies	13,895	8,615
Professional fees	13,540	4,934
Repair and maintenance	9,785	1,692
Insurance	4,570	4,442
Fuel	4,321	4,016
Interest and bank charges	3,292	2,669
Property tax and fines	-	2,572
Other expenses	20,639	3,087
	<u>329,035</u>	<u>313,035</u>
<b>Loss from continuing operations</b>	<u>(2,174)</u>	<u>(22,224)</u>
<b>Other comprehensive loss</b>		
Cumulative translation adjustment	<u>(6,032)</u>	<u>(690)</u>
<b>Loss and comprehensive loss for the year</b>	<u>\$ (8,206)</u>	<u>\$ (22,914)</u>

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



**PREMIER CLINICAS DE REHABILITACION, S.R.L.****Statements of Cash Flows****(Expressed in Canadian Dollars)**

	December 31, 2014	December 31, 2013
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Loss for the year	\$ (8,206)	\$ (22,914)
Items not affecting cash:		
Depreciation	20,676	19,649
	12,470	(3,265)
Changes in non-cash working capital item:		
Accounts receivable	(50,411)	(20,420)
Prepaid	(1,455)	(1,527)
Accounts payable and other liabilities	1,976	14,733
Due to related parties	37,477	50,044
Cash provided by operating activities	57	39,565
<b>Investing activities</b>		
Acquisition of machinery and equipment	-	(70,815)
Disposal of machinery and equipment	-	20,883
Cash used in investing activities	-	(49,932)
<b>Financing activities</b>		
Net loan proceeds	6,186	8,931
Cash provided by financing activities	6,186	8,931
<b>Increase (decrease) in cash during the year</b>	6,243	(1,436)
<b>Cash, beginning of year</b>	295	1,731
<b>Cash, end of year</b>	6,538	\$ 295

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



**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**STATEMENT OF SHAREHOLDERS' DEFICIENCY AND DEFICIT**  
 (Expressed in Canadian Dollars)

	Share Capital			Reserve	Deficit	Total
	Number	Amount	Amount			
Balance as at December 31, 2012	100	\$ 2,846	\$ 18,973	\$ (126,344)	\$ (104,525)	
Cumulative translation adjustment Loss for the year			(690)	(22,224)	(690) (22,224)	
Balance as at December 31, 2013	100	\$ 2,846	\$ 18,283	\$ (148,568)	\$ (127,439)	
Cumulative translation adjustment Loss for the year	-	-	(6,032)	-	(6,032) (2,174)	
<b>Balance as at December 31, 2014</b>	<b>100</b>	<b>\$ 2,846</b>	<b>\$ 12,251</b>	<b>\$ (150,742)</b>	<b>\$ (135,645)</b>	

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



**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Clinicas de Rehabilitacion, S.R.L. (the "Company") was incorporated on September 19, 2010 under the laws of the Dominican Republic. The Company provides but is not limited to medical consultation & evaluation, physiotherapy rehabilitation and physical conditioning to patients with sports injuries, workplace injuries or other physical injuries.

On September 30, 2014, the Company changed its type of business structure from Limited Liability Company to Individual Limited Liability Company as Brenda Rasmussen became the sole proprietor of the business entity by acquiring additional 50 common shares with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each.

The Company's registered address and the records are held at Av. Juan Pablo Duarte, Plaza las Barajas, Mod. 101, Santiago, Dominican Republic.

The Company's financial statements are presented in Canadian dollars.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company had a working capital of \$64,295 (2013: \$15,803). The Company has incurred positive cash flows from operations, recorded an income of \$57 (2013: \$39,565) for the period ended December 31, 2014, and has a deficit of \$150,742 (2013: \$148,568) as at December 31, 2014. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing through increasing its service revenue, borrowing and increase its profitability. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

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

**Basis of Presentation**

The financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified, which is different from the functional currency of the Company.

**Foreign currency translation**

Balances included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional is the Dominican peso.

Transactions denominated in currencies other than the Dominican peso are translated using the exchange rate in effect on the transaction date or at an average rate. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical rates. Exchange gains or losses on translation are recorded in the statements of operations and comprehensive loss.



### Use of Estimates and Judgments

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 the reported expenses during the period. Actual results could differ from these estimates.

In particular, information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements includes:

#### Judgment

- The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company which require management to make certain estimates, judgments, and assumptions about the suit. In the opinion of management, any provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. Management is not aware of any material contingent liabilities which require recording in the condensed consolidated interim financial statements.

### 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 and comprehensive loss.

*Available for sale* - These assets are non-derivative financial assets designated on initial recognition. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of equity. Cumulative gains or losses recognized in equity are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

*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 and comprehensive loss.

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.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is 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 and comprehensive loss.



*Other financial liabilities:* This category includes loans, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables and advances to related parties are classified as loans and receivables. The Company's marketable securities are classified as available-for-sale. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

#### **Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of income and comprehensive income.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment is recognized in the statement of income and comprehensive income.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on deposit and short-term investments that have a term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as long-term investments.

#### **Accounts receivable**

Accounts receivable are reported at realizable value, net of provisions for discounts and the allowance for doubtful accounts.

#### **Property and equipment**

Property and equipment is recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The depreciation rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

The Company records no depreciation in the year of acquisition.

#### **Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months, otherwise they are presented as non-current liabilities.



**Provisions**

When the Company has a present legal or constructive obligation as a result of a past event, a provision is recognized only when the obligation can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as finance expense.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

*Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

**Accounting policies not yet adopted**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as of November 1, 2014 and determined that the following may have an impact on the Company.

*IFRS 9 – Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an impact on the classification and measurement of financial assets, but will potentially have no impact on classification and measurement of financial liabilities. The Company will quantify the impact in conjunction with the other phases when issued.

**2. CAPITAL MANAGEMENT**

The Company manages its capital structure based on the funds available to the Company in order to support the continuation and expansion of its operations. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	December 31, 2014 \$	December 31, 2013 \$
Trade receivables	106,558	62,983
Recoverable income taxes	8,036	-
Recoverable value added tax	6,910	8,110
	\$ 121,504	\$ 71,093



**Premier Clinicas de Rehabilitacion, S. R. L.**  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2014  
 (Expressed in Canadian Dollars)

**4. PROPERTY PLANT AND EQUIPMENT**

	Office furniture and equipment	Machinery and equipment	Vehicle	Total
<b>Cost</b>				
Balance at December 31, 2012	38,875	69,269	-	108,144
Additions	24,118	-	46,696	70,814
Disposals	-	(20,883)	-	(20,883)
Balance at December 31, 2013	62,993	48,386	46,696	158,075
Additions or disposals	-	-	-	-
Balance at December 31, 2014	\$ 62,993	\$ 48,386	\$ 46,696	\$ 158,075
<b>Accumulated depreciation</b>				
Balance at December 31, 2012	30,238	15,970	-	46,208
Depreciation for the year	14,798	4,851	-	19,649
Balance at December 31, 2013	45,036	20,821	-	65,857
Depreciation for the year	4,879	4,123	11,674	20,676
Balance at December 31, 2014	\$ 49,915	\$ 24,944	11,674	\$ 86,533
Carrying amount at December 31, 2013	\$ 17,957	\$ 27,565	\$ 46,696	92,218
Carrying amount at December 31, 2014	\$ 13,078	\$ 23,442	\$ 35,022	71,542

**5. LOANS**

On September 15 and November 13, 2014, the Company obtained two revolving loans each for the amount of \$300,000 RD (\$7,872 Canadian dollars) from Banco Popular. The loans bear interest at 24% per annum. Interest and commissions will be payable in monthly installment, maturing on November 15, 2014 and July 15, 2015, respectively. As of December 31, 2015 the company owes \$11,808 (2013: \$20,054).

As at December 31, 2014, the Company owes \$14,432 by a way of unsecured Promissory Note due on demand to Inversiones Compres & Perez, S. R. L. ("Copesa"). The note bears interest at 42% per annum.

**6. SHARE CAPITAL AND RESERVES**

a) Structure of capital

The Company's capital stock at December 31, 2014 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.

b) Reserves

Reserves comprise of cumulative unrealized gains and losses on foreign exchange.

**7. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

For the year ended December 31, 2014, the sole shareholder paid expenses on behalf of the Company for the amount of \$37,477 (\$50,044). As at December 31, 2014, the Company owes \$276,202 (\$2013: \$238,725).



**8. SEGMENTED INFORMATION**

The Company operates in one industry segment, the healthcare industry, and one geographical segment, Dominican Republic.

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

**9. FINANCIAL RISK FACTORS**

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

(i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At December 31, 2014 Company has outstanding loans with third parties for the aggregate amount of \$26,240 (2013: \$20,054).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At December 31, 2014, the Company held no significant financial instruments that were denominated in other than Dominican currency.



**PREMIER CLINICAS DE REHABILITACION, S. R. L.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

To: the Management of  
Premier Clinicas de Rehabilitacion, S.R.L.

We have audited the accompanying financial statements of Premier Clinicas de Rehabilitacion, S.R.L., which comprise the statement of financial position as at December 31, 2015 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year 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 audit. We conducted our audit in accordance with International Auditing on 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 Premier Clínicas de Rehabilitación, S.R.L. and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



**PREMIER CLINICAS DE REHABILITACION, S.R.L.****Statements of Financial Position****(Expressed in Canadian Dollars)**

	December 31, 2015	December 31, 2014
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 11,700	\$ 6,538
Accounts receivable (note 4)	158,251	121,504
Prepaid	5,726	4,720
Medical supplies	11,053	-
<b>Total current assets</b>	<b>186,730</b>	<b>132,762</b>
<b>Non-current assets</b>		
Leasehold improvements (note 5)	13,338	-
Property and equipment (note 5)	56,001	71,542
<b>Total assets</b>	<b>256,069</b>	<b>204,304</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and other liabilities	\$ 50,112	\$ 37,507
Short-term loans (note 6)	13,158	26,240
<b>Total current liabilities</b>	<b>63,270</b>	<b>63,747</b>
<b>Non-current assets</b>		
Due to related party (note 8)	360,922	276,202
<b>Total liabilities</b>	<b>424,192</b>	<b>339,949</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	2,846	2,846
Reserve (note 7)	(22,182)	12,251
Deficit	(148,787)	(150,742)
<b>Total shareholders' equity</b>	<b>(168,123)</b>	<b>(135,645)</b>
<b>Total liabilities and equity</b>	<b>\$ 256,069</b>	<b>\$ 204,304</b>
<b>Nature of operations (Note 1)</b>		



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

**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**Statements of Operations and Comprehensive Loss**  
**(Express in Canadian Dollars)**

	December 31, 2015	December 31, 2014
<b>Revenue</b>	\$ 392,868	\$ 326,861
<b>Expenses</b>		
Salary and related expenses	136,105	119,473
Rent	83,483	53,729
Consulting fees	31,940	29,551
Utilities	31,329	21,231
Depreciation (note 5)	15,541	20,676
Interest and bank charges	13,681	3,292
Office and medical supplies	13,238	13,895
Advertising	12,919	14,333
Repair and maintenance	11,474	9,785
Professional fees	8,878	13,540
Fuel	4,015	4,321
Insurance	3,907	4,570
Other expenses	24,403	20,639
	<u>390,913</u>	<u>329,035</u>
<b>Income (loss) from continuing operations</b>	<u>1,955</u>	<u>(2,174)</u>
<b>Other comprehensive loss</b>		
Cumulative translation adjustment	<u>(34,433)</u>	<u>(6,032)</u>
<b>Loss and comprehensive loss for the year</b>	<u>\$ (32,478)</u>	<u>\$ (8,206)</u>



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

**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	December 31, 2015	December 31, 2014
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Loss for the year	\$ (32,478)	\$ (8,206)
Items not affecting cash:		
Depreciation	15,541	20,676
	(16,937)	12,470
Changes in non-cash working capital item:		
Accounts receivable	(36,747)	(50,411)
Prepaid	(1,006)	(1,455)
Medical supplies	(11,053)	-
Accounts payable and other liabilities	12,605	1,976
Due to related parties	84,720	37,477
Cash provided by operating activities	31,582	57
<b>Investing activities</b>		
Leasehold improvements	(13,338)	-
(Cash used in) investing activities	(13,338)	-
<b>Financing activities</b>		
Net loan proceeds	(13,082)	6,186
(Cash used in) provided by financing activities	(13,082)	6,186
<b>Increase in cash during the year</b>	<b>5,162</b>	<b>6,243</b>
<b>Cash, beginning of year</b>	<b>6,538</b>	<b>295</b>
<b>Cash, end of year</b>	<b>11,700</b>	<b>\$ 6,538</b>



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

**PREMIER CLINICAS DE REHABILITACION, S.R.L.**  
**STATEMENT OF SHAREHOLDERS' DEFICIENCY AND DEFICIT**  
**(Expressed in Canadian Dollars)**

	Share Capital					
	Number	Amount	Reserve	Deficit	Total	
Balance as at December 31, 2013	100	\$ 2,846	\$ 18,283	\$ (148,568)	\$ (127,439)	
Cumulative translation adjustment	-	-	(6,032)	-	(6,032)	
Net loss for the period	-	-	-	(2,174)	(2,174)	
Balance as at December 31, 2014	100	2,846	12,251	(150,742)	(135,645)	
Cumulative translation adjustment	-	-	(34,433)	-	(34,433)	
Net income for the period	-	-	-	1,955	1,955	
<b>Balance as at December 31, 2015</b>	<b>100</b>	<b>\$ 2,846</b>	<b>\$ (22,182)</b>	<b>\$ (148,787)</b>	<b>\$ (168,123)</b>	

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



# Premier Clinicas de Rehabilitacion, S. R. L.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Expressed in Canadian Dollars)

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## 1. NATURE OF OPERATIONS AND GOING CONCERN

Premier Clinicas de Rehabilitacion, S.R.L. (the "Company") was incorporated on September 19, 2010 under the laws of the Dominican Republic. The Company provides but is not limited to medical consultation & evaluation, physiotherapy rehabilitation and physical conditioning to patients with sports injuries, workplace injuries or other physical injuries.

On September 30, 2014, the Company changed its type of business structure from Limited Liability Company to Individual Limited Liability Company as Brenda Rasmussen became the sole proprietor of the business entity by acquiring additional 50 common shares with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each.

The Company's registered address and the records are held at Av. Juan Pablo Duarte, Plaza las Barajas, Mod. 101, Santiago, Dominican Republic.

The Company's condensed interim financial statements are presented in Canadian dollars.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2015, the Company had a working capital of \$106,681 (2014: \$64,295). The Company has incurred positive cash flows from operations of \$31,582 (2014: \$57) for the period ended December 31, 2015, and has a deficit of \$148,878 (2014: \$150,742) as at December 31, 2015. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing through increasing its service revenue, borrowing and increase its profitability. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

## 2. BASIS OF PREPARATION

### Statement of Compliance

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

### Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified, which is different from the functional currency of the Company.

### Foreign currency translation

Balances included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional is the Dominican peso.

Transactions denominated in currencies other than the Dominican peso are translated using the exchange rate in effect on the transaction date or at an average rate. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical rates. Exchange gains or losses on translation are recorded in the statements of operations and comprehensive loss.



# Premier Clinicas de Rehabilitacion, S. R. L.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Expressed in Canadian Dollars)

## Use of Estimates and Judgments

The preparation of these condensed interim 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 condensed interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

In particular, information about significant areas of estimation uncertainty and judgment considered by management in preparing the condensed interim financial statements includes:

### Judgment

- The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.
- The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

### Estimates:

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;

From time to time, certain claims, suits, and complaints may arise in the ordinary course of operations against the Company which require management to make certain estimates, judgments, and assumptions about the suit. In the opinion of management, any provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. Management is not aware of any material contingent liabilities which require recording in the condensed interim financial statements.

## 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 and comprehensive loss.

*Available for sale* - These assets are non-derivative financial assets designated on initial recognition. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of equity. Cumulative gains or losses recognized in equity are recognized in the statement of operations and comprehensive loss when the asset is derecognized.

*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 and comprehensive loss.

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.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:



## Premier Clinicas de Rehabilitacion, S. R. L.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Expressed in Canadian Dollars)

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*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 and comprehensive loss.

*Other financial liabilities*: This category includes loans, amounts due to related parties and accounts payables and other liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's payable to related party is as a loan. The Company's accounts payable and other liabilities loans are classified as other financial liabilities.

### Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of income and comprehensive income.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment is recognized in the statement of income and comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents include cash on deposit and short-term investments that have a term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as long-term investments.

### Accounts receivable

Accounts receivable are reported at realizable value, net of provisions for discounts and the allowance for doubtful accounts.

### Property and equipment

Property and equipment is recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The depreciation rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

Leasehold improvements are amortized over the useful life of the improvement or the related contract term, whichever is shorter.

The Company records no depreciation in the year of acquisition.



## Premier Clinicas de Rehabilitacion, S. R. L.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Expressed in Canadian Dollars)

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### Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months, otherwise they are presented as non-current liabilities.

### Provisions

When the Company has a present legal or constructive obligation as a result of a past event, a provision is recognized only when the obligation can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as finance expense.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

#### *Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018) replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount.
- IAS 1 – *Presentation of Financial Statements* (effective January 1, 2016) represents amendments outlining disclosure initiatives relating to materiality, ordering of the notes, subtotals, accounting policies and disaggregation with an aim of clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

### 3. CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the continuation and expansion of its operations. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.



**Premier Clinicas de Rehabilitacion, S. R. L.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 December 31, 2015  
 (Expressed in Canadian Dollars)

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	December 31, 2015 \$	December 31, 2014 \$
Trade receivables	132,909	106,558
Recoverable income taxes	16,991	8,036
Recoverable value added tax	8,351	6,910
	\$ 158,251	\$ 121,504

**5. PROPERTY PLANT AND EQUIPMENT**

	Office furniture and equipment	Machinery and equipment	Vehicle	LHI	Total
<b>Cost</b>					
Balance at December 31, 2013	62,993	48,386	46,696	-	158,075
Additions or disposals	-	-	-	-	-
Balance at December 31, 2014	62,993	48,386	46,696	-	158,075
Additions or disposals	-	-	-	13,338	13,338
Balance at December 31, 2015	\$ 62,993	\$ 48,386	\$ 46,696	\$ 13,338	\$ 171,413
<b>Accumulated depreciation</b>					
Balance at December 31, 2013	45,036	20,821	-	-	65,857
Depreciation for the year	4,879	4,123	11,674	-	20,676
Balance at December 31, 2014	49,915	24,944	11,674	-	86,533
Depreciation for the year	3,269	3,516	8,756	-	15,541
Balance at December 31, 2015	\$ 53,184	\$ 28,460	\$ 20,430	\$ -	\$ 102,074

Carry amount  
 At December 31, 2014

	\$	13,078	\$	23,442	\$	35,022	\$	-	\$	71,542
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Carry amount  
 At December 31, 2015

	\$	9,809	\$	19,926	\$	26,266	\$	13,338	\$	69,339
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**6. LOANS**

During the year ended December 31, 2015, the Company obtained several revolving loans from Banco Popular. The loans bear interest at 24% per annum. Interest and commissions will be payable in monthly installment, As of December 31, 2015 the company owes \$13,158 (2014: \$11,808).

As at December 31, 2015, the Company owes \$Nil (2014: \$14,432) by a way of unsecured Promissory Note due on demand to Inversiones Compres & Perez, S. R. L. ("Copesa"). The note bears interest at 42% per annum.



**7. SHARE CAPITAL AND RESERVES**

a) Structure of capital

The Company's capital stock at December 31, 2015 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.

b) Reserves

Reserves comprise of cumulative unrealized gains and losses on foreign exchange.

**8. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

For the year ended December 31, 2015, the sole shareholder paid expenses on behalf of the Company in the amount of \$18,616 (2014: \$37,477). As at December 31, 2015, the Company owes \$360,922 (2014: \$276,202).

**9. SEGMENTED INFORMATION**

The Company operates in one industry segment, the healthcare industry, and one geographical segment, Dominican Republic.

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

**10. FINANCIAL RISK FACTORS**

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

(i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At December 31, 2015 Company has outstanding loans with third parties for the aggregate amount of \$13,158 (2014: \$26,240).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At December 31, 2015, the Company held no significant financial instruments that were denominated in other than Dominican currency.



**SCHEDULE "D"**

**MANAGEMENT DISCUSSION AND ANALYSIS OF PremierDR**

**MDA of PremierDR for the Financial Year Ended December 31, 2015**

**MDA of PremierDR for the Interim Period Ended March 31, 2016**

## **THE ATTACHED CONSOLIDATED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

This Management Discussion and Analysis ("MD&A") is dated June 7, 2016 and should be read in conjunction with the audited financial statements for the years ended December 31, 2015 and 2014; together with the corresponding notes of Premier Clinicas de Rehabilitacion, S.R.L. ("PremierDR") therein. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

The consolidated 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"). The accounting policies applied in these financial statements are based on IFRS issued and outstanding as of June 7, 2016.

### **BUSINESS OVERVIEW**

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. The Company also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

### **MARKET AND ECONOMIC CONDITIONS OVERVIEW**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

According to the Canada Export Corporation Spring 2016 Report, the DR is the second-largest country in the Caribbean, with a population of approximately 10.4 million. At US\$62 billion, the DR has also the largest economy in the Caribbean and Central America, and has been one of the countries with highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors.

After the successful founding and exit from health clinic company Alegro (Now Centric Health Corp CHH on TSX) Brenda Ramussen became aware of health care, and especially rehabilitation, opportunities in the Dominican Republic.

Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL" Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

Given the shortage of quality rehabilitation available throughout the country, the Company opened in January, 2011. The company introduced North American standards of rehabilitation practices and assessment methodology to the Dominican Republic for the first time.

Because of the advanced treatment methodologies and high level of equipment and technology being made available for the first time (and imported from the United States) the facility received a great deal of media attention. In addition to numerous newspaper features, founder and President Brenda Rasmussen has appeared on television on numerous occasions.

A 6,000 sq. ft. facility was leased and after a period of introduction, Premier Clinicas de Rehabilitacion now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

### **Customer Base and Payment Schedules**

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. The company has treated several Major League Baseball players who return to their homeland in the off season. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions.

Premier Clinicas de Rehabilitacion offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

## SUMMARY FINANCIAL DATA

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company at December 31, 2015, which has been prepared in accordance with IFRS.

		Year ended		
		December 31, 2015	December 31, 2014	December 31, 2013
Operating Revenue	\$	392,868	326,861	290,811
Net income (loss)	\$	1,955	(2,174)	(22,224)
Income (Loss) per share	\$	1.96	(2.74)	(22.22)
Share capital	\$	2,846	2,846	2,846
Common shares issued		1,000	1,000	1,000
Weighted average shares outstanding		1,000	1,000	1,000
Total Assets	\$	256,069	204,304	166,871
Net Assets	\$	87,946	68,659	39,432
Cash Dividends Declared per Common Shares	\$	Nil	Nil	Nil

## PERIOD HIGHLIGHTS

### LIQUIDITY AND CAPITAL RESOURCES

The Company had cash totaling \$11,700 at December 31, 2015, an increase of \$5,162 from December 31, 2014. As at December 31, 2015, the Company had a working capital of \$106,681 (2014 \$64,295). This was primarily influenced by the increase in service revenue and loan repayment owed to Inversiones Compres & Perez, S.R.L. ("Copesa").

Liquidity and capital resources refer to the Company's ability to generate sufficient cash flow to fund ongoing operations and capital commitments, as well as its ability to invest in growth opportunities. The Company's primary capital needs are the funds required to support its daily clinical activities and fund future acquisition opportunities. Management is able to delay certain capital needs, if necessary, in order to ensure sufficient capital resources exist to continue to satisfy the most immediate needs of the business.

### CASH FLOWS

The Company has historically been able to fund its recurring operations through the cash flows generated by its operations. Acquisition activity has historically been funded through various forms of financing, including revolving loans, unsecured promissory note and related party advances.

## **RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment;

For the year ended December 31, 2015, the sole shareholder paid expenses on behalf of the Company in the amount of \$18,616 (2014: \$37,477). As at December 31, 2015, the Company owes \$360,922 (2014: \$276,202).

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **CRITICAL ACCOUNTING**

There are no critical accounting estimates.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions that have not been disclosed herein.

## **FUTURE ACCOUNTING CHANGES**

### *New standards and interpretations not yet adopted*

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018) replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount.
- IAS 1 – *Presentation of Financial Statements* (effective January 1, 2016) represents amendments outlining disclosure initiatives relating to materiality, ordering of the notes, subtotals, accounting policies and disaggregation with an aim of clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable.

The Company is exposed to varying degrees to a variety of financial instrument related risks

(i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At December 31, 2015 Company has outstanding loans with third parties for the aggregate amount of \$13,158 (2014: \$26,240).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At December 31, 2015, the Company held no significant financial instruments that were denominated in other than Dominican currency.

## **OTHER MD&A REQUIREMENT**

The Company's capital stock at December 31, 2015 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.

## **THE ATTACHED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**

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This Management Discussion and Analysis ("MD&A") is dated July 18, 2016 and should be read in conjunction with the condensed interim financial statements for the three months period ended March 31, 2016; together with the corresponding notes of Premier Clinicas de Rehabilitacion, S.R.L. ("PremierDR") therein. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

The interim 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"). The accounting policies applied in these financial statements are based on IFRS issued and outstanding as of July 18, 2016.

### **BUSINESS OVERVIEW**

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. The Company also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

### **MARKET AND ECONOMIC CONDITIONS OVERVIEW**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

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Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL") Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

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A 6,000 sq. ft. facility was leased and after a period of introduction, Premier Clinicas de Rehabilitacion now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

### **Customer Base and Payment Schedules**

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. The company has treated several Major League Baseball players who return to their homeland in the off season. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

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Premier Clinicas de Rehabilitacion offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

## SUMMARY FINANCIAL DATA

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company at March 31, 2016, which has been prepared in accordance with IFRS.

	<b>Three months ended March 31, 2016</b>	
Revenue	\$	(86,725)
Expenses	\$	84,036
Net income	\$	(2,689)
Income per share	\$	(2.69)
Share capital	\$	2,846
Common shares issued		1,000
Weighted average shares outstanding		1,000
Total Assets	\$	245,918
Net Assets	\$	(149,081)
Cash Dividends Declared per Common Shares	\$	Nil

## PERIOD HIGHLIGHTS

The net income was attributed to the basic operating expenses, which include service revenue, employee related expenses, rent, interest on loans, and among others.

## LIQUIDITY AND CAPITAL RESOURCES

The Company had cash totaling \$9,214 at March 31, 2016, a decrease of \$2,486 from December 31, 2015. As at March 31, 2016, the Company had a working capital of \$114,885 (December 31, 2015: \$117,734).

Liquidity and capital resources refer to the Company's ability to generate sufficient cash flow to fund ongoing operations and capital commitments, as well as its ability to invest in growth opportunities. The Company's primary capital needs are the funds required to support its daily clinical activities and fund future acquisition opportunities. Management is able to delay certain capital needs, if necessary, in order to ensure sufficient capital resources exist to continue to satisfy the most immediate needs of the business.

### *Banco Popular*

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at March 31, 2016, the Company owes \$34,864 (December 31, 2015: \$39,512). The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

### *Inversiones Compres Perez, S.R.L.*

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at March 31, 2016, the Company owes \$5,852 (December 31, 2015: \$3,527)

## **CASH FLOWS**

The Company has historically been able to fund its recurring operations through the cash flows generated by its operations. Acquisition activity has historically been funded through various forms of financing, including revolving loans, unsecured promissory note and related party advances.

## **RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of business and amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment;

For the three months ended March 31, 2016, the sole shareholder paid expenses on behalf of the Company in the amount of \$7,048. As at March 31, 2016, the Company owes \$298,529 (December 31, 2015: \$321,410).

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **CRITICAL ACCOUNTING**

There are no critical accounting estimates.

## **FUTURE ACCOUNTING CHANGES**

### *New standards and interpretations not yet adopted*

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of these new and revised accounting pronouncements.

- IFRS 9 – *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 – *Revenue from Contracts with Customers* (effective January 1, 2018) replaces the previous guidance on revenue recognition and provides a framework to determine when to recognize revenue and at what amount.

- IAS 1 – *Presentation of Financial Statements* (effective January 1, 2016) represents amendments outlining disclosure initiatives relating to materiality, ordering of the notes, subtotals, accounting policies and disaggregation with an aim of clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable.

The Company is exposed to varying degrees to a variety of financial instrument related risks

(i) Credit risk

The Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services, recoverable income taxes and recoverable value-added tax.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(iii) Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At March 31, 2016 Company has outstanding loans with third parties for the aggregate amount of \$40,716 (December 31, 2015: \$43,039).

(iv) Foreign currency risk

Virtually most of the Company's transactions are denominated in Dominican Pesos. At March 31, 2016, the Company held no significant financial instruments that were denominated in other than Dominican currency.

## **OTHER MD&A REQUIREMENT**

The Company's capital stock at March 31, 2016 is represented by 1,000 common, registered shares, with a par value of \$100 Dominican Peso (2.85 Canadian Dollars) each, fully subscribed and paid. These shares represent the fixed portion; the variable portion is unlimited.

**SCHEDULE "E"**

**FINANCIAL STATEMENTS OF THE ISSUER**

**Interim (unaudited) financial statements of the Issuer for the Interim period ended  
September 30, 2016**

**Interim (unaudited) financial statements of the Issuer for the interim period ended  
June 30, 2016**

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**

Unaudited Consolidated Interim Financial Statements  
For The Nine Months Ended September 30, 2016 and 2015  
(Expressed in Canadian dollars)

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## **Premier Health Group Inc. (formerly Premier Health Services Inc.)**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the consolidated financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Don Gordon"  
Director and Chief Financial Officer  
February 8, 2017

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Unaudited Consolidated Interim Statements of Financial Position**  
(Expressed in Canadian dollars)

		September 30, 2016	December 31, 2015
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		1,357	3,197
Accounts Receivable	3	155,772	1,501
Investments – available for sale	8	210,001	1
Inventory		3,341	-
Prepaid expenses		20,766	-
Due from related parties		38,835	
		<b>430,072</b>	<b>4,699</b>
Vehicles, machinery and leasehold improvements	5	137,182	-
<b>Total Assets</b>		<b>576,254</b>	<b>4,699</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		102,113	14,293
Revolving loans	6	5,847	
Due to related parties	11,14	320,060	29,022
Convertible Debentures	11,14	1,135,274	-
		<b>1,563,294</b>	<b>43,315</b>
Loans	6	31,303	-
<b>Total Liabilities</b>		<b>1,594,597</b>	<b>43,315</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	850,100	100
Equity portion of convertible debenture	14	880,845	-
Reserves	8	(370,711)	(399,999)
Shares to be issued		-	400,000
Deficit		(2,387,577)	(38,717)
		<b>(1,027,343)</b>	<b>(38,717)</b>
<b>Total liabilities and equity</b>		<b>576,254</b>	<b>4,699</b>

Nature of operations and going concern 1  
Corporate restructuring and commitments 13

Approved and authorized for issuance by the Board of Directors on January, 2017

*"Brian Peterson"*

Brian Peterson, Director

*"Donald Gordon"*

Donald Gordon, Director

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Unaudited Consolidated Interim Statements of Comprehensive Loss**  
(Expressed in Canadian dollars)

	For the three-Month Period Ended		For the nine-Month Period Ended	
	Sept 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
	\$	\$		
<b>Revenues</b>	87,019	-	111,389	-
	87,019		111,389	
<b>Expenses</b>				
Wages and related expenses	36,295	-	42,709	-
Advertising	7,607	-	9,005	-
Amortization	2,195	-	2,195	-
Office and Admin (Note 12)	9,248	-	17,692	-
Interest	48,990	12-	58,709	12
Insurance	-	-	185	-
Management fees (Note 12)	7,500	-	20,000	-
Professional fees	26,889	856	113,429	3,305
Repair and Maintenance	4,058	-	4,585	-
Regulatory fees	1,530	1,862	6,817	1,862
Rent (Note 12)	19,465	-	23,394	-
Transfer Agent	-	-	5,307	-
Total Expenses	163,777	2,730	304,027	5,179
<b>Net income (loss) before other Items</b>	(76,758)	(2,730)	(192,638)	(5,179)
<b>Other income (expense)</b>				
Acquisition expense (Note 4)	-	-	(2,070,734)	-
Foreign exchange gain (loss)	(30,653)	-	(45,488)	-
Net Loss for the period	(107,411)	(2,730)	(2,308,860)	(5,179)
Other comprehensive loss:				-
Unrealized gain (loss) on marketable securities	-	-	(40,000)	-
	-	-	(40,000)	
Total comprehensive loss:	(107,411)	(2,730)	(2,348,860)	(5,179)
<b>Basic and diluted loss per common share</b>	(0.00)	(27.30)	(0.13)	(51.79)
<b>Weighted average number of common shares outstanding</b>	34,737,031	100	18,255,956	100

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Unaudited Consolidated Interim Statements of Changes in Equity**  
(Expressed in Canadian dollars)

	Number of Outstanding Shares	Share Capital	Reserves	Shares to be issued	Equity portion of convertible debt	Deficit	Total
Shares issued on incorporation, September 19, 2013	100	\$ 100	\$ -	\$ -	-	\$ -	\$ 100
<b>Balance, December 31, 2013</b>	<b>100</b>	<b>100</b>	-	-	-	-	<b>100</b>
Comprehensive loss	-	-	-	-	-	(13,177)	(13,177)
<b>Balance, December 31, 2014</b>	<b>100</b>	<b>100</b>	-	-	-	<b>(13,177)</b>	<b>(13,077)</b>
Comprehensive loss	-	-	-	-	-	(5,179)	(5,179)
<b>Balance, September 30, 2015</b>	<b>100</b>	<b>100</b>	-	-	-	<b>(18,356)</b>	<b>(18,256)</b>
Fair value adjustment	-	-	(399,999)	-	-	-	(399,999)
Shares to be issued	-	-	-	400,000	-	-	400,000
Net income (loss) for the period	-	-	-	-	-	(23,361)	(23,361)
<b>Balance, December 31, 2015</b>	<b>100</b>	<b>100</b>	<b>(399,999)</b>	<b>400,000</b>	-	<b>(38,717)</b>	<b>(38,616)</b>
Shares Cancelled	(100)	-	-	-	-	-	-
Shares issued plan of arrangement	14,403,698	-	-	-	-	-	-
Shares issued -Moag	20,000,000	400,000	-	(400,000)	-	-	-
Shares issued -CHH	200,000	250,000	-	-	-	-	250,000
Shares issued for Cash	133,333	200,000	-	-	-	-	200,000
Equity portion of convertible debt	-	-	-	-	880,845	-	880,845
Currency translation adjustment	-	-	29,288	-	-	-	29,288
Net income (loss) for the period	-	-	-	-	-	(2,348,860)	(2,348,860)
<b>Balance, September 30, 2016</b>	<b>34,736,931</b>	<b>850,100</b>	<b>(370,711)</b>	-	<b>(880,845)</b>	<b>(2,387,577)</b>	<b>(1,027,343)</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Unaudited Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian dollars)

	For the three-Month Period Ended		For the nine-Month Period Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	\$	\$	\$	\$
<b>Cash provided by (used in):</b>				
<b>Operating activities</b>				
Net loss	(107,411)	(2,730)	(2,348,860)	(5,179)
Items not involving cash				
Acquisition expense			2,070,734	
Interest Expense	42,087		48,404	
Exchange Loss	18,751		(6,377)	
Amortization	2,195		2,195	
Unrealized Loss on marketable securities	-		40,000	
	(44,378)		(193,904)	(5,179)
Change in non-cash working capital components:				
Accounts Receivable	(39,761)	(45)	(42,764)	(408)
Prepaid Expenses	22,010		22,010	
Due from related parties	(14,069)		(46,285)	
Accounts payable and accrued liabilities	35,173	893	50,999	3,705
<b>Net cash used in operating activities</b>	<b>(41,025)</b>	<b>(1,882)</b>	<b>(209,994)</b>	<b>(1,882)</b>
<b>Investing activities</b>				
Inventory	7,975		7,975	
Cash from acquisition of Premier Clinicas de Rehabilitacion, S.R.L.	-		2,958	-
<b>Net cash used in investing activities</b>	<b>7,975</b>		<b>10,993</b>	<b>-</b>
<b>Financing activities</b>				
Loans	(2,351)		(2,351)	
Proceeds from share issuance	-	-	200,000	-
<b>Net cash provided by financing activities</b>	<b>(2,351)</b>	<b>1,870</b>	<b>197,654</b>	<b>1,870</b>
<b>Increase (decrease) in cash</b>	<b>(35,401)</b>	<b>(12)</b>	<b>(1,357)</b>	<b>(12)</b>
<b>Cash, beginning</b>	<b>36,758</b>	<b>-</b>	<b>3,197</b>	<b>-</b>
<b>Cash, ending</b>	<b>1,357</b>	<b>(12)</b>	<b>1,357</b>	<b>(12)</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the**  
**Nine Month Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Health Group Inc. (formerly Premier Health Services Inc.) (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. is Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 440-890 West Pender Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the “Arrangement Agreement”) with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On August 27, 2015 the Company agreed to issue 20,000,000 common shares to Winston Ventures Inc. which is owned and controlled by Gary Brown, in consideration for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The number of shares exchanged reflects a ratio based on the trading value of MOG, a publicly listed company trading on the Canadian Securities Exchange. The 20,000,000 common shares amount to 58% of the total issued shares of the Company. Shares have been issued on May 9, 2016.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. (“Clinicas”). The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The address of the Company’s corporate office and place of business 440-890 West Pender Street, Vancouver, British Columbia, Canada.

**Premier Health Group Inc.**  
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**Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. At September 30, 2016, the Company incurred a net loss of \$2,348,860 (September 30, 2015 - \$5,179) and had an accumulated deficit of \$2,387,577 (September 30, 2015 - \$38,717) which has been funded primarily by share subscriptions received and loans from related parties. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management's control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent 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"). The accounting policies and critical estimates applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2015. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last financial statements.

**Basis of consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its 99.99% subsidiary Premier Clinicas de Rehabilitacion S. R. L., incorporated in Dominican Republic. All significant inter-company transactions and balances have been eliminated on consolidation.

**Foreign currency translation**

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Canadian parent company's presentation currency and functional currency. The functional currency of Premier Clinicas de Rehabilitacion S. R. L. is the Dominican peso.

*Translation and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income.

*Translation of subsidiary results into the presentation currency*

The operating results and statements of financial position of the Company's subsidiary are translated into the presentation currency.

**Premier Health Group Inc.**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgements 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 judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements 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.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Fair value of financial instruments

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

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Machinery and equipment

The estimated useful lives and residual value of machinery and equipment are included in the statement of financial position and the related amortization is included in the statement of loss and comprehensive loss;

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's ability to carry out its business plan.

Accounts receivable

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

**Premier Health Group Inc.**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.

Machinery and equipment

Machinery and equipment are recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The amortization rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25
Vehicle	25
Machinery and equipment	15

Amortization on leasehold improvements is calculated on the straight-line method over the term of the respective lease agreement, which expires in 2020.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, and represents receivable amounts for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

*Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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. No options are granted at present.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 asset is not recognized. 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.

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 shares outstanding are 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.

Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Marketable Securities	FVTPL
Accounts payable	Other liabilities
Due to related parties	Other liabilities
Convertible Debentures	FVTPL

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**Premier Health Group Inc.**  
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**Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Nine**  
**Month Period Ended September 30, 2016, and 2015**  
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**2. SIGNIFICANT ACCOUNTING POLICIES**

Impairment

i) 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 cash 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.

ii) 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).

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 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 measures net earnings for the period plus other comprehensive income. 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.

**Premier Health Group Inc.**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Business combination

At the time of acquisition of property, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

The cost of a business combination is measured as the aggregate of the consideration transferred at acquisition date fair value. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Company recognizes any contingent consideration to be transferred by the Company at its acquisition date fair value. Goodwill is initially measured at cost, being the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed in the period incurred.

Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which is subject to risks and rewards that are different from those of other segments. The Company considers that it has only one reportable segment, being in the business of healthcare industry.

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2015, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

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

*IFRS 15 - Revenue from contracts with customers*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

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

The following standards will be effective for annual periods beginning on or after January 1, 2019: IFRS

*9 – Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

**Premier Health Group Inc.**  
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**2. SIGNIFICANT ACCOUNTING POLICIES**(Continued)

IFRS 16, “Leases”, was issued in January 2016, and replaces IAS 17,“Leases” (“IAS 17”). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after May 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

Convertible note

Convertible notes are separated into liability and equity components based on the terms of the contract. On issuance of the notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	<b>September 30,2016</b>	<b>December 31, 2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	150,617	-
GST receivable	5,155	1,501
	<u>155,772</u>	<u>1,501</u>

**4. BUSINESS ACQUISITION**

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

**Premier Health Group Inc.**  
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**For the Three Months Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**4. BUSINESS ACQUISITION (Continued)**

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The total purchase price of \$1,931,700 was allocated to the fair value of the net assets of Premier Clinicas de Rehabilitacion, S. R. L. as follows:

Cash	\$ 2,958
Receivables	111,507
Medical supplies	11,316
Prepaid	42,776
Leasehold improvements	12,129
Vehicles, machineries, and equipment	55,490
Accounts payable and accrued liabilities	(37,221)
Revolving loans	(5,852)
Due to related parties	(298,488)
Bank loan	(33,649)
Acquisition expense	2,070,734
<b>Purchase price – fair value</b>	<b>\$ 1,931,700</b>

The following table summarized Premier Clinicas de Rehabilitacion, S. R. L. statements of financial position.

	<b>September 30, 2016</b>
Current assets	\$ 175,177
Non-current assets	137,182
Current liabilities	(397,354)
Non-current liabilities	(31,303)
<b>Net assets</b>	<b>\$(139,035)</b>

The following table summarizes Premier Clinicas de Rehabilitacion S. R. L. revenue, expenses and net income.

	<b>Nine months ended September 30, 2016</b>
Revenue	\$ 111,389
Expenses	(108,528)
<b>Net income</b>	<b>\$ 2,861</b>

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Consolidated Interim Financial Statements**  
**For the Three Months Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

**5. MACHINERY AND EQUIPMENT**

	Office furniture and equipment	Machinery and equipment	Vehicle	LHI	Total
<b>Cost</b>					
Balance December 31, 2015	-	-	-	-	-
Additions or disposals	30,791	27,139	69,123	12,323	139,377
Balance at September 30, 2016	30,791	27,139	69,123	12,323	139,377
<b>Accumulated depreciation</b>					
Balance December 31, 2015	-	-	-	-	-
Depreciation for the period	485	427-	1,089	194	2,195
Balance at September 30, 2016	485	427-	1,089	194	2,195

Capitalized leasehold improvements consist of work performed at the leasing facility such as: construction of washrooms for patients, creation of a kid's playground/therapy room, retention files room, painting room and a customer service area. In addition, there were other minor renovations done internally.

**6. LOANS**

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at September 30, 2016, the Company owes \$5,852.

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at September 30, 2016, the Company owes \$31,303. The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

**7. SHARE CAPITAL**

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

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

**Premier Health Group Inc.**  
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**(Expressed in Canadian dollars)**

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**7. SHARE CAPITAL (continued)**

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(c) Share Purchase Warrants

The continuity of warrants for the period ended September 30, 2016 is as follows:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>December 30, 2016</u>	<u>Issued</u>	<u>Exercised</u>	<u>Expired/ Cancelled</u>	<u>September 30, 2016</u>
May 9, 2018	\$1.5	-	<u>333,333</u>	-	-	<u>333,333</u>
		-	<u>333,333</u>	-	-	<u>333,333</u>

(d) Escrow Shares

As at September 30, 2016, the Company has no shares in escrow but in the event of a successful application for listing has agreed to place 21,200,000 common shares subject to Emerging Issuer escrow.

(e) 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. As at September 30, 2016, no options were granted or outstanding.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
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(Expressed in Canadian dollars)

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**7. SHARE CAPITAL (continued)**

(f) Reserves:

Reserves comprise the fair value of marketable securities and cumulative unrealized gains and losses on foreign exchange.

The following is a summary of changes in reserves from December 31, 2015 to September 30, 2016:

	Capital adjustment reserve	Unrealized foreign exchange gain (loss)	Total
December 31, 2015	\$ (399,999)	\$ -	\$ (399,999)
Cumulative translation adjustment	-	28,288	28,288
<b>Total</b>	<b>(399,999)</b>	<b>28,288</b>	<b>(370,711)</b>

**8. AVAILABLE FOR SALE INVESTMENTS**

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired from with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, in exchange for 20,000,000 common shares of the Company. The Company considers these investments to be strategic in nature. Fair values of these shares are determined by reference to published price quotations in an active market.

Winston and Mr. Gary Brown assigned their right to receive 20,000,000 common shares of the Company, pursuant to a share exchange agreement in respect of securities with a market value of \$400,000 at the time, to Brenda Rasmussen, and the Company issued these 20,000,000 common shares to Ms. Rasmussen.

MOG shares were under ceased trading order at period end, and therefore, management of the Company took a conservative approach in valuing the investments in MOG shares at year end to \$1. Management is confident that the cease trading order of MOG will be lifted in the foreseeable future and expects the fair value of MOG will be higher than its current value.

On May 9, 2016, the Company acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX for 200,000 units in consideration to Brenda Rasmussen. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
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**For the Three Months Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**8. AVAILABLE FOR SALE INVESTMENTS (continued)**

Total Marketable Securities:

	Cost	Accumulated unrealized gain (loss)	Capital Adjustment reserve	Market value*
	\$	\$		\$
September 30, 2016				
MOG	400,000	-	(399,999)	1
CHH	250,000	(40,000)		210,000
Total	650,000	(40,000)	(399,999)	210,001
December 31, 2015				
MOG	400,000	-	(399,999)	1
Total	400,000	-	(399,999)	1

**9. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

**10. FINANCIAL INSTRUMENTS**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of September 30, 2016, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

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 September 30, 2016, the Company had \$1,357 cash and current liabilities of \$1,563,294.

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 insignificant.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Consolidated Interim Financial Statements**  
**For the Three Months Period Ended September 30, 2016, and 2015**  
**(Expressed in Canadian dollars)**

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**10. FINANCIAL INSTRUMENTS (continued)**

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income. The result of sensitivity analysis shows an increase or decrease of 5% in exchange rates, with all other variables held constant, could have increased or decreased the net income and comprehensive income by approximately \$100,806 (2015 - \$NIL).

**11. RELATED PARTY TRANSACTIONS**

Management fees of \$20,000 (September 30, 2015 - \$0), administration fees of \$4,000 (September 30, 2015 - \$0) and rent fees of \$4,000 (September 30, 2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at September 30, 2016, the Company had \$38,835 due from a director and a company related to a director (September 30, 2015- \$10,522 due to). These balances are non-interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of September 30, 2015 is \$2,016,119 CND.

As at September 30, 2016, the Company owes \$320,060 to the former shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Consolidated Interim Financial Statements**  
**For the Three Months Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**12. SEGMENTED INFORMATION**

Premier Clinicas de Rehabilitacon, S.R.L. operates in one industry segment, the healthcare industry, and one geographical segment, Dominican Republic. Total assets and the net loss were segmented geographically as follows

As at September 30, 2016	Canada	Dominican Republic	Total
	\$	\$	\$
Assets	216,060	312,359	528,419
As at December 31, 2015	Canada	Dominican Republic	Total
	\$	\$	\$
Assets	4,699	-	4,699
	Canada	Dominican Republic	Total
	\$	\$	\$
Net loss for the nine months period ended September 30, 2016	2,348,860	(2,861)	2,348,860
Net income ( loss) loss for the three months period ended	(113,808)	6,397	(107,411)
	Canada	Dominican Republic	Total
	\$	\$	\$
Net loss for the nine months period ended September 30, 2015	5,179	-	5,179
Net loss for the three months period ended September 30, 2015	2,730	-	2,730

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

**13. COMMITMENTS**

As described in Note 1, the Company and Web Watcher entered into the Arrangement Agreement on October 23, 2013 to conduct a corporate restructuring to transfer Web Watcher's interest in the TKDN LOI to the Company. As consideration, the Company will issue 14,403,698 common shares to shareholders of Web Watcher. The Arrangement Agreement was approved by Web Watcher's shareholders on December 19, 2013 and by the Supreme Court of British Columbia on January 7, 2014. On May 9, 2016, the 14,403,698 common shares have been issued and the TKDN LOI had been cancelled.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Consolidated Interim Financial Statements**  
**For the Three Months Period Ended September 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**14. CONVERTIBLE DEBENTURES**

During the period ended September 30, 2016 the Company issued the following convertible notes:

Convertible promissory note on the June 17, 2016 for \$1,931,700 CAD (US\$ 1,500,000) to a related party. The convertible promissory note is an 8.5% interest bearing loan and has a five-year term. The note is convertible at \$.25 per share.

On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The difference is attributed to the equity component of the compound financial instrument.

Therefore, we have derecognized the liability component of \$880,845 and recognized this as equity in accordance with IAS 32. The market rate for similar debts was determined to be 26%.

The initial recognition of the liability component of convertible debt is as follows:

	September 30, 2016
	\$
Convertible debt issued during the year	2,016,119
Transactions cost	-
Equity portion of convertible debt	<u>(880,845)</u>
<b>Present value of the liability component of convertible debt</b>	<b>1,135,274</b>
The equity component of convertible debt is recognized as follows:	
Balance as at September 30, 2015	-
Addition of convertible debt - equity portion	880,845
Equity portion of loans converted	<u>-</u>
<b>Balance as at September 30, 2016</b>	<b>880,845</b>
A reconciliation of the liability component of convertible debt is as follows:	
Balance as at September 30, 2015	-
Addition of convertible debt - liability component	<u>1,135,274</u>
<b>Balance as at September 30, 2016</b>	<b>1,135,274</b>

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**

Condensed Consolidated Interim Financial Statements (Unaudited)

For The Six Months Ended June 30, 2016 and 2015

(Expressed in Canadian dollars)

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December 21, 2016

**Premier Health Group Inc.**  
440 – 890 West Pender Street  
Vancouver, BC  
V6C 1J9

Dear Sirs / Mesdames:

In accordance with our engagement letter dated July 5, 2016, we have performed an interim review of the statement of financial position of Premier Health Group Inc. as at June 30, 2016, the statements of comprehensive income for the six-month period ended June 30, 2016, and the statements of changes in equity and cash flows for the six-month period then ended. These financial statements are the responsibility of Premier Health Group Inc. management.

We performed our interim review in accordance with International Financial Reporting Standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

This report is solely for the use of the Audit Committee of Premier Health Group Inc. to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.

*“Buckley Dodds Parker LLP”*

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Expressed in Canadian dollars – unaudited)

		<b>June 30, 2016</b>	<b>December 31, 2015</b>
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		39,716	3,197
Accounts receivable	3	116,011	1,501
Prepaid		42,776	-
Investments – available for sale	9	210,001	1
Medical supplies		11,316	-
Due from related parties	12	31,292	-
		<b>451,112</b>	<b>4,699</b>
Vehicles, machinery and leasehold improvements	5	67,619	-
<b>Total Assets</b>		<b>518,731</b>	<b>4,699</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		66,940	14,293
Convertible Debentures	12, 14	1,063,022	-
Due to related parties	12	298,488	29,022
Revolving loans	6	5,852	-
		<b>1,434,302</b>	<b>43,315</b>
Loans	6	33,649	-
<b>Total Liabilities</b>		<b>1,467,951</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share Capital	7	850,100	100
Equity portion of convertible debenture	14	880,845	-
Reserves	8	(439,511)	(399,999)
Shares to be issued		-	400,000
Deficit		(2,240,654)	(38,717)
		<b>(949,220)</b>	<b>(38,717)</b>
<b>Total liabilities and equity</b>		<b>518,731</b>	<b>4,699</b>
<b>Nature of operations and going concern</b>	1		
<b>Commitments</b>	13		

Approved and authorized for issuance by the Board of Directors on October 18, 2016:

**“Brian Peterson”**  
Brian Peterson, Director

**“Donald Gordon”**  
Donald Gordon, Director

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Comprehensive Loss**  
(Expressed in Canadian dollars – unaudited)

	For the three-Month Period Ended		For the six-Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	\$	\$	\$	\$
<b>Revenue</b>	24,370	-	24,370	-
<b>Expenses</b>				
Advertising	1,398	-	1,398	-
Consulting fees	25,219	-	31,219	-
Interest	9,566	-	9,719	-
Insurance	185	-	185	-
Management fees (Note 12)	7,500	-	12,500	-
Office and Admin (Note 12)	7,444	-	8,444	-
Professional fees	20,938	2,450	55,321	2,450
Regulatory fees	4,957	-	5,287	-
Rent (Note 12)	2,929	-	3,929	-
Repair and maintenance	527	-	527	-
Transfer Agent	5,307	-	5,307	-
Wages and related expenses	6,414	-	6,414	-
<b>Total Expenses</b>	92,394	2,450	140,250	2,450
<b>Net loss before other items</b>	(68,014)	2,450	(115,880)	2,450
<b>Other income (expense)</b>				
Acquisition expense (Note 4)	(2,070,734)	-	(2,070,734)	-
Foreign exchange gain (loss)	(15,323)	-	(15,323)	-
<b>Net loss for the period</b>	(2,154,071)	(2,450)	(2,201,937)	(2,450)
Other comprehensive loss:				
Foreign currency translation	488	-	488	-
Unrealized gain (loss) on marketable securities	(40,000)	-	(40,000)	-
	(39,512)	-	(39,512)	-
<b>Total comprehensive loss for the period</b>	(2,193,583)	(2,450)	(2,241,449)	(2,450)
<b>Basic and diluted loss per common share</b>	(0.11)	(24.50)	(0.22)	(24.50)
<b>Weighted average number of common shares outstanding</b>	19,849,732	100	9,924,866	100

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Changes in Equity**  
(Expressed in Canadian dollars – unaudited)

	Number of Outstanding Shares	Share Capital	Reserves	Shares to be issued	Equity portion of convertible debt	Deficit	Total
		\$	\$	\$		\$	\$
Shares issued on incorporation, September 19, 2013	100	100	-	-	-	-	100
<b>Balance, December 31, 2013</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>
Comprehensive loss	-	-	-	-	-	(13,177)	(13,177)
Balance, December 31, 2014	100	100	-	-	-	(13,177)	(13,077)
Comprehensive loss	-	-	-	-	-	(2,450)	(2,450)
<b>Balance, June 30, 2015</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,627)</b>	<b>(15,527)</b>
Fair value adjustment	-	-	(399,999)	-	-	-	(399,999)
Shares to be issued	-	-	-	400,000	-	-	400,000
Net loss for the period	-	-	-	-	-	(23,090)	(23,090)
<b>Balance, December 31, 2015</b>	<b>100</b>	<b>100</b>	<b>(399,999)</b>	<b>400,000</b>	<b>-</b>	<b>(38,717)</b>	<b>(38,616)</b>
Shares Cancelled	(100)	-	-	-	-	-	-
Shares issued -Moag	20,000,000	400,000	-	(400,000)	-	-	-
Shares issued -CHH	200,000	250,000	-	-	-	-	250,000
Shares issued for Cash	133,333	200,000	-	-	-	-	200,000
Equity portion of convertible debt	-	-	-	-	880,845	-	880,845
Currency translation adjustment	-	-	488	-	-	-	488
Fair value adjustment	-	-	(40,000)	-	-	-	(40,000)
Net loss for the period	-	-	-	-	-	(2,201,937)	(2,201,937)
<b>Balance, June 30, 2016</b>	<b>20,333,333</b>	<b>850,100</b>	<b>(439,511)</b>	<b>-</b>	<b>880,845</b>	<b>(2,240,654)</b>	<b>(949,220)</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian dollars - unaudited)

	For the three-Month Period Ended		For the six-Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	\$	\$	\$	\$
<b>Cash provided by (used in) :</b>				
<b>Operating activities</b>				
Net loss	(2,194,071)	(2,450)	(2,241,937)	(2,450)
Item not involving cash				
Acquisition expense	2,070,734		2,070,734	
Interest expense	6,317		6,317	
Foreign exchange loss	6,338		6,338	
Unrealized Loss on marketable securities	40,000		40,000	
	(70,682)		(118,548)	
Change in non-cash working capital components:				
Taxes recoverable	(1,902)	(363)	(3,003)	(363)
Due from related parties	(46,201)		(60,314)	
Accounts payable and accrued liabilities	(9,470)	2,813	15,426	2,813
<b>Net cash used in operating activities</b>	<b>(128,255)</b>	<b>-</b>	<b>(166,439)</b>	<b>-</b>
<b>Investing activities</b>				
Cash from acquisition of Premier Clinicas de Rehabilitacion, S. R. L.	2,958		2,958	
<b>Net cash used in investing activities</b>	<b>2,958</b>		<b>2,958</b>	
<b>Financing activities</b>				
Proceeds from share issuance	-	-	200,000	
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	
<b>Increase (decrease) in cash</b>	<b>(125,297)</b>	<b>-</b>	<b>36,519</b>	
<b>Cash, beginning</b>	<b>165,013</b>	<b>100</b>	<b>3,197</b>	<b>100</b>
<b>Cash, ending</b>	<b>39,716</b>	<b>100</b>	<b>39,716</b>	<b>100</b>

The accompanying notes are an integral part of these financial statements

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Interim Financial Statements**  
**For the Six Months Period Ended June 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Premier Health Group Inc. (formerly Premier Health Services Inc.) (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of Premier Health Group Inc. is Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The address of Web Watcher is 440-890 W Pender Street, Vancouver, British Columbia, Canada. The Company entered into to a Plan of Arrangement (the “Arrangement Agreement”) with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On August 27, 2015 the Company agreed to issue 20,000,000 common shares to Winston Ventures Inc. which is owned and controlled by Gary Brown, in consideration for 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The number of shares exchanged reflects a ratio based on the trading value of MOG, a publicly listed company trading on the Canadian Securities Exchange. The 20,000,000 common shares amount to 58% of the total issued shares of the Company. Shares have been issued on May 9, 2016.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. (“Clinicas”). The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The address of the Company’s corporate office and place of business 440-890 W Pender Street, Vancouver, British Columbia, Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. At June 30, 2016, the Company incurred a net loss of \$2,241,449 (June 30, 2015 - \$2,450) and had an accumulated deficit of \$2,280,654 (December 31, 2015 - \$38,717) which has been funded primarily by share subscriptions received and loans from related parties. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management’s control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent 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”). The accounting policies and critical estimates applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2015. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company’s financial position and performance since the last financial statements.

**Basis of consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its 99.99% subsidiary Premier Clinicas de Rehabilitacion S. R. L., incorporated in Dominican Republic. All significant inter-company transactions and balances have been eliminated on consolidation.

**Foreign currency translation**

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Canadian parent company’s presentation currency and functional currency. The functional currency of Premier Clinicas de Rehabilitacion S. R. L. is the Dominican peso.

*Translation and balances*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income.

*Translation of subsidiary results into the presentation currency*

The operating results and statements of financial position of the Company’s subsidiary are translated into the presentation currency.

**Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgements 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 judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements 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.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Significant accounting judgments and estimates** (Continued)

Fair value of financial instruments

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

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Machinery and equipment

The estimated useful lives and residual value of machinery and equipment are included in the statement of financial position and the related amortization is included in the statement of loss and comprehensive loss;

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's ability to carry out its business plan.

Accounts receivable

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

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 can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Machinery and equipment

Machinery and equipment are recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

The amortization rates of the major asset categories are calculated based on the declining balance method as follows:

Office furniture and equipment	25%
Vehicle	25%
Machinery and equipment	15%

Amortization on leasehold improvements is calculated on the straight-line method over the term of the respective lease agreement, which expires in 2020.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, and represents receivable amounts for goods supplied or services rendered, stated net of discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Company, and when specific criteria have been met for each of the Company's activities, as described below.

*Rendering services*

The Company recognizes revenue from the rendering of independent medical assessments, and patient services in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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. No options are granted at present.

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 asset is not recognized. Deferred income tax assets and liabilities are offset

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred income taxes** (Continued)

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.

**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 shares outstanding are 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.

**Financial instruments**

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss (“FVTPL”), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Marketable Securities	FVTPL
Accounts payable	Other liabilities
Due to related parties	Other liabilities
Convertible Debentures	FVTPL

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment

i) 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 cash 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.

ii) 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).

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 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 measures net earnings for the period plus other comprehensive income. 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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Business combination

At the time of acquisition of property, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

The cost of a business combination is measured as the aggregate of the consideration transferred at acquisition date fair value. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Company recognizes any contingent consideration to be transferred by the Company at its acquisition date fair value. Goodwill is initially measured at cost, being the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed in the period incurred.

Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which is subject to risks and rewards that are different from those of other segments. The Company considers that it has only one reportable segment, being in the business of healthcare industry.

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2015, and have not been applied in preparing these financial statements. The following standards and interpretations have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2017:

*IAS 1 – Presentation of Financial Statements*

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

*IFRS 15 - Revenue from contracts with customers*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

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

The following standards will be effective for annual periods beginning on or after January 1, 2019:

*IFRS 9 – Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

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**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

IFRS 16, “Leases”, was issued in January 2016, and replaces IAS 17, “Leases” (“IAS 17”). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after May 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

Convertible note

Convertible notes are separated into liability and equity components based on the terms of the contract. On issuance of the notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	111,507	-
GST receivable	4,504	1,501
	<b>\$ 116,011</b>	<b>\$ 1,501</b>

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**4. BUSINESS ACQUISITION**

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions. Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

The total purchase price of \$1,931,700 was allocated to the fair value of the net assets of Premier Clinicas de Rehabilitacion, S. R. L. as follows:

Cash	\$	2,958
Receivables		111,507
Medical supplies		11,316
Prepaid		42,776
Leasehold improvements		12,129
Vehicles, machineries, and equipment		55,490
Accounts payable and accrued liabilities		(37,221)
Revolving loans		(5,852)
Due to related parties		(298,488)
Bank loan		(33,649)
Acquisition expense		2,070,734
Purchase price – fair value	\$	1,931,700

The following table summarized Premier Clinicas de Rehabilitacion, S. R. L. statements of financial position.

		<b>June 30, 2016</b>
Current assets	\$	168,558
Non-current assets		67,618
Current liabilities		(43,074)
Non-current liabilities		(332,137)
Net assets	\$	(139,035)

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**4. BUSINESS ACQUISITION (Continued)**

The following table summarizes Premier Clinicas de Rehabilitacion S. R. L. revenue, expenses and net income.

	<b>Six months ended June 30, 2016</b>
Revenue	\$ 179,231
Expenses	(168,981)
Net income	\$ 10,250

**5. MACHINERY AND EQUIPMENT**

	Office furniture and equipment	Machinery and equipment	Vehicle	LHI	Total
<b>Cost</b>					
Acquisition date, June 17, 2016	\$ 66,633	\$ 47,892	\$ 53,704	\$ 13,352	\$ 181,581
Additions or disposals	-	-	-	-	-
Balance at June 30, 2016	66,633	47,892	53,704	13,352	181,581
<b>Accumulated amortization</b>					
Acquisition date, June 17, 2016	\$ 56,146	\$ 29,601	\$ 26,993	\$ 1,222	\$ 113,962
Amortization for the period	-	-	-	-	-
Balance at June 30, 2016	56,146	29,601	26,993	1,222	113,962

**6. LOANS**

The Company entered into a revolving loan with Inversiones Compres Perez, S.R.L. The revolving loan is renewable annually, provides financing up to \$200,000 Dominican Pesos (approximately \$6,000 CAD). The revolving loan bears interest at 42%. As at June 30, 2016, the Company owes \$5,852.

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at June 30, 2016, the Company owes \$33,649. The promissory loans is payable in monthly installments of \$1,237 of which \$605 corresponds to interest and commissions. The promissory loans bear interest at 21% per annum.

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**7. SHARE CAPITAL**

(a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(a) Share Purchase Warrants

The continuity of warrants for the period ended June 30, 2016 is as follows:

Expiry Date	Exercise Price	December 30, 2015	Issued	Exercised	Expired/ Cancelled	June 30, 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

(b) Escrow Shares

As at June 30, 2016, the Company has 21,200,000 common shares held in escrow

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**7. SHARE CAPITAL (continued)**

(c) 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. As at June 30, 2015, no options were granted or outstanding.

(d) Reserves:

Reserves comprise the fair value of marketable securities and cumulative unrealized gains and losses on foreign exchange.

The following is a summary of changes in reserves from December 31, 2015 to June 30, 2016:

	Capital adjustment reserve	Unrealized foreign exchange gain (loss)	Total
December 31, 2015	\$ (399,999)	\$ -	\$ (399,999)
Unrealized gain (loss) on marketable	(40,000)	-	(40,000)
Cumulative translation adjustment	-	489	488
<b>Total</b>	<b>(439,999)</b>	<b>489</b>	<b>(439,511)</b>

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(Expressed in Canadian dollars)

**8. AVAILABLE FOR SALE INVESTMENTS**

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired from with Winston Ventures Inc. (“Winston”) a company owned and controlled by Gary Brown, in exchange for 20,000,000 common shares of the Company. The Company considers these investments to be strategic in nature. Fair values of these shares are determined by reference to published price quotations in an active market.

MOG shares were under ceased trading order at period end, and therefore, management of the Company took a conservative approach in valuing the investments in MOG shares at year end to \$1. Management is confident that the cease trading order of MOG will be lifted in the foreseeable future and expects the fair value of MOG will be higher than its current value.

On May 9, 2016, the Company acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX for 200,000 units in consideration. Each unit consists of one share and one share purchase warrant (the “Warrant”) of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares the value of the units is \$250,000.

Total Marketable Securities:

	Cost	Accumulated unrealized gain (loss)	Capital Adjustment reserve	Market value*
	\$	\$		\$
June 30, 2016				
MOG	400,000	-	(399,999)	1
CHH	250,000	(40,000)		210,000
Total	650,000	(40,000)	(399,999)	210,001
December 31, 2015				
MOG	400,000	-	(399,999)	1
Total	400,000	-	(399,999)	1

**9. CAPITAL DISCLOSURES**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders’ equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the Six Months Period Ended June 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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## 10. FINANCIAL INSTRUMENTS

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of June 30, 2016, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

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 June 30, 2016, the Company had \$39,716 cash and current liabilities of \$371,280.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income. The result of sensitivity analysis shows an increase or decrease of 5% in exchange rates, with all other variables held constant, could have increased or decreased the net income and comprehensive income by approximately \$97,193 (2015 - \$NIL).

## 11. RELATED PARTY TRANSACTIONS

Management fees of \$12,500 (June 30, 2015 - \$nil), administration fees of \$2,500 (June 30, 2015 - \$Nil) and rent fees of \$2,500 (June 30, 2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at June 30, 2016, the Company had \$31,292 due from a director and a company related to a director ( December 31, 2015- Payable (\$29,022)). These balances are non interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the Six Months Period Ended June 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**11. RELATED PARTY TRANSACTIONS (continued)**

Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of June 30, 2015 is \$1,943,867 CND.

On the acquisition, the Company assumed debt of \$298,488 owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

**12. SEGMENTED INFORMATION**

The Company operates in one industry, the healthcare industry, which are located in Canada and Dominican Republic. Total assets and the net loss were segmented geographically as follows:

As at June 30, 2016	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	282,556	236,175	518,732

As at December 31, 2015	Canada	Dominica Republic	Total
	\$	\$	\$
Assets	4,699	-	4,699

	Canada	Dominica Republic	Total
	\$	\$	\$
Net loss for the six months period ended June 30, 2016	2,250,922	(8,985)	2,241,937
Net loss for the three months period ended June 30, 2016	2,203,056	(8,985)	2,194,071

	Canada	Dominica Republic	Total
	\$	\$	\$
Net loss for the six months period ended June 30, 2015	2,450	-	2,450
Net loss for the three months period ended June 30, 2015	2,450	-	2,450

The Ministry of Public Health has issued a provisional an operational license with an effective date from January 30, 2015 to January 30, 2017, which authorized the Company to operate as a rehabilitation clinic.

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the Six Months Period Ended June 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**13. COMMITMENTS**

As described in Note 1, the Company and Web Watcher entered into the Arrangement Agreement on October 23, 2013 to conduct a corporate restructuring to transfer Web Watcher's interest in the TKDN LOI to the Company. As consideration, the Company will issue 14,403,698 common shares to shareholders of Web Watcher. The Arrangement Agreement was approved by Web Watcher's shareholders on December 19, 2013 and by the Supreme Court of British Columbia on January 7, 2014. On May 9, 2016, the 14,403,698 common shares have been issued and the TKDN LOI had been cancelled.

**14. CONVERTIBLE DEBENTURES**

During the period ended June 30, 2016 the Company issued the following convertible notes:

Convertible promissory note on the June 17, 2016 for \$1,931,700 CAD (US\$ 1,500,000) to a related party. The convertible promissory note is an 8.5% interest bearing loan and has a five-year term. The note is convertible at \$.25 per share.

On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The difference is attributed to the equity component of the compound financial instrument.

Therefore, we have derecognized the liability component of \$880,845 and recognized this as equity in accordance with IAS 32. The market rate for similar debts was determined to be 26%.

The initial recognition of the liability component of convertible debt is as follows:

	June 30, 2016
Convertible debt issued during the year	\$ 1,943,867
Transactions cost	-
Equity portion of convertible debt	<u>(880,845)</u>
Present value of the liability component of convertible debt	<u>\$ 1,063,022</u>

The equity component of convertible debt is recognized as follows:

Balance as at June 30, 2015	-
Addition of convertible debt - equity portion	880,845
Equity portion of loans converted	<u>-</u>
Balance as at June 30, 2016	<u>880,845</u>

**Premier Health Group Inc.**  
**(Formerly Premier Health Services Inc.)**  
**Notes to the Unaudited Condensed Consolidated Interim Financial Statements**  
**For the Six Months Period Ended June 30, 2016, and 2015**  
(Expressed in Canadian dollars)

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**14. CONVERTIBLE DEBENTURES (continued)**

A reconciliation of the liability component of convertible debt is as follows:

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Balance as at June 30, 2015	-
Addition of convertible debt - liability component	<u>1,063,022</u>
Balance as at June 30, 2016	<u>1,063,022</u>

**SCHEDULE “F”**

**MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER**

**MDA of the Issuer for the Interim period ended September 30, 2016**

**MDA of the Issuer for the Interim period ended June 30, 2016**

**Premier Health Group Inc.**

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Period Ended September 30, 2016

As at February 8, 2017

## **INTRODUCTION**

### **General**

The Company was incorporated on September 13, 2013 under the Business Corporations Act (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. ("Web Watcher"). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the "Arrangement").

Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders.

On July 9, 2015, the Company changed its name to Premier Health Services Inc. and on September 18, 2015 changed to its current name Premier Health Group Inc.

The Issuer acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX in consideration for 200,000 units for investment purposes, each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. The Issuer also holds 4,000,000 shares of Moag Copper Gold Resources Inc. ("Moag") for investment purposes. Moag was subject to a cease trade order dated October 13, 2015, made by the Director of the Ontario Securities Commission pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Securities Act (Ontario), and which was extended by a further cease trade order dated October 26, 2015.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory in the amount of US\$ 1,500,000. Note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

Our head office, registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9

### **Basis of Discussion & Analysis**

This management's discussion and analysis ("MD&A") is dated as of February 6, 2017 and should be read in conjunction with the unaudited condensed interim financial statements of the Company for the Nine months ended September 30, 2016 , and September 30, 2015, and the audited financial statements for the year ended December 31, 2015

Our discussion in this MD&A is based on the Unaudited Consolidated Financial Statements for the Nine months period ended September 30, 2016, and September 30, 2015 prepared in accordance with International Financial Reporting Standards. ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. The financial statements and MD&A have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and as such do not include all of the information required for full annual financial statements.

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **THE COMPANY AND BUSINESS**

### **Background**

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR became a 99.99% owned subsidiary of Premier Health Group Inc., ("Premier Group") effective June 17, 2016, and the business of PremierDR has become the business of the Premier Group.

### **The Dominican Republic**

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti. The DR economy is the largest in the Caribbean and Central America. It is an upper-middle-income country, reliant on the service sector. The most prominent economic activities are tourism, retail, manufacturing and financial services. The government is encouraging foreign investment and working to position the DR as the primary destination in the

Caribbean for foreign investors. To comply with the laws for foreign ownership the Company had to ensure at least one share was held by a DR citizen and the acquisition required approval by federal government officials in Canada and the DR. There are no major restrictions on foreign investment, and investors can repatriate their profits and capital subject to a labour law making it mandatory to share a portion of the company's profits with employees (discussed further below).

The Canada Export Corporation's Spring 2016 Report, states the DR has a population of approximately 10.4 million and with GDP at US\$66 billion, the DR is not only the largest economy in the Caribbean and Central America, but has one of the highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors. Historically, the United States is the largest investor, followed by Canada and Spain. The largest single investment of US\$4 billion was made by Canada's Barrick Gold and Gold Corp, in the DR's Pueblo Viejo mining project, demonstrating that opportunities for Canadian business to operate in the DR are being actively pursued.

The government of the DR recognized the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), and it has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

The federal authority that regulates the Issuer's industry sector is the Ministry of Public Health and Social Assistance.

Importantly for Premier DR, among the enabling legislation for business are the strengthening and reorganization of the government worker's compensation scheme ("ARL") (Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million. These motorcycles account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world.

The experience and research of other major investors in the Dominican Republic provide information as to the any possible risks related to restriction on investment in the country. The U.S. is a significant investor in the DR, and the U.S. Department of State in its 2016 Investment Climate Statements stated that under Foreign Investment Law (No. 16- 95), unlimited foreign investment is permitted in all sectors, with the exception of activities negatively impacting public health and the environment; and the production of materials and equipment directly linked to national security unless authorized by the President.

The legal system of the Dominican Republic is civil law. On October 23, 2007, Decree No. 610- 07 placed DICOEX – the Directorate of Foreign Commerce of the then-Secretariat of State for Industry and Commerce –governs the enforcement of arbitration awards, arbitral agreements, and arbitration proceedings in the Dominican Republic all of which are available to foreign entities. There are no

requirements that foreign equity be reduced over time or that technology be transferred according to defined terms. The government imposes no significant conditions on foreign investors concerning location, local content, foreign exchange or export requirements.

The Dominican Republic's labor code establishes that 80 percent of the labor force of a foreign or national company, including free trade zone companies, be composed of Dominican nationals (although the management or administrative staff of a foreign company is exempt from this regulation). Employers must share 10% of their annual pretax profits, if any, with their employees. However, the Labor Code allows employers to cap profit sharing as follows:

- An employee with less than three years on the job will receive 45 days' salary.
- An employee with three years or more years, 60 days' salary.

## **Premier DR**

When the new government initiatives (discussed above) came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury. After the founding and exit from health clinic company Alegro Health Corp. (Now Centric Health Corp. CHH: TSX), Brenda Rasmussen became aware of health care and rehabilitation opportunities in the DR which lead to the opening of the first rehabilitation clinic in 2011. The clinic is located in Santiago, the country's second largest city, with a population of 1,200,000. PremierDR operates from a leased 6,000 sq. ft. facility with 21 staff and holds nation-wide contracts from the ARL and major Dominican insurance companies.

PremierDR operates the country's sole multidisciplinary rehabilitation facility. The therapies and programs provided by PremierDR are based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists. Primary fields of specialization are automobile/workplace accidents, post-surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The clinic employs 7 physiotherapists, 1 occupational therapist, and 2 doctors. In addition there is 11 managerial and administrative staff for a total of 21 employees.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use with growth of customer volume.

PremierDR's key competitors are hospital physiotherapy departments and a small number of sole practitioner treatment centres. Currently PremierDR is the sole multidisciplinary rehabilitation clinic in the DR, using North American treatment methodologies, equipment and technology. In addition, PremierDR works in close consultation with the government workers compensation agency in regard to setting care standards.

## **Customer Base and Payment Schedules**

In addition to the ARL contract which covers the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. PremierDR also has nation-wide contracts with private insurers such as the major auto insurers.

PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full on claim processing for the services provided. Private (non-insured) patients pay for treatment 100% in cash. Secondly, auto and health insurance hospitals or local sole operator companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Finally, co-pay and private payer patients are paying all or part in cash. Although the cost to self-pay patients of their treatment at PremierDR may be higher than at local hospitals and sole practitioner offices, the company maintains state of the art service facilities and outcomes as its distinctive competitive advantage.

The volume of private payers is a significant contributor to revenue which reduces the dependency on insurance contracts to some extent, as there is a large enough cohort of affluent individuals in the DR to maintain the private payer contribution to revenue.

## **Agreements**

A Health Services Agreement was entered into with ARS Monumental S.A., on March 31, 2011 to provide health services and supplies covered by the Government's Basic Health Plan, workers compensation plans and permitted supplemental plans, in addition to services that are not covered by these plans but are still approved by the social services agency for coverage. This agreement is automatically renewable annually and remains current.

A Health Services Agreement was entered into with the Dominican Social Insurance Agency, on May 20, 2011, (in its capacity as the Health and Safety Workers Compensation Administrator). Under this agreement PremierDR is obligated to guarantee through its Healthcare facilities all of the rehabilitation services specified in cases of Work-Related Accident or Professional and/or Occupational Illness,

establishing quality control systems and self-regulating standards. To ensure the standards of the regulating authority are met, an auditing physician is appointed by the Government with the right to audit the activities, interventions, medical and technical procedures performed for the insured. This agreement is automatically renewable annually and remains current.

On April 19, 2013 Premier DR entered into a contract for Administration of Complimentary Plans and Voluntary Prepaid and Special Complimentary Plans with ARS Humano S.A. which also carries an automatic renewal.

The operating agreements allow for regular inspection and critique of the clinics operation by the ARL. To date, the clinic's assessment and treatment methodologies have met or exceeded the Agencies requirements, as patient outcomes and cost/benefit factors are far superior to services that have been historically available in the DR. The President and senior executives of the ARL have asked Ms. Rasmussen and PremierDR to help develop rehabilitation protocols for the country.

## SELECTED QUARTERLY INFORMATION

	For the three-Month Period Ended		For the Nine-Month Period Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	\$	\$		
Revenues	87,019	-	111,389	-
Expenses	194,430	2,730	2,460,249	5,179
Net income (loss)	(107,411)	(2,730)	(2,348,860)	(5,179)
Income (loss) per common share	(0.001)	(27.30)	(0.13)	(51.79)
Total assets	576,254	771	576,254	771
Total liabilities	1,594,597	19,027	1,594,597	19,027
Dividends declared	-	-	-	-

### Additional Disclosure for Venture issuers without Significant Revenue

The Company has generated \$111,389 in revenues from the medical business as at September 30, 2016. The net loss in the recent quarter was attributed to the operating expenses, which include office and administration expenses, interest expense, consulting fees, accounting fees, legal fees, regulatory filings fees and transfer agent fees. The loss for the nine months was largely represented by the conservative treatment of the acquisition as an expense due to the purchase being financed entirely by debt. Under

advice from the Issuers auditor the acquisition price was expensed as the private company acquired didn't have the ability to repay the debt from internal cash flow at the time of purchase although the debt issued in payment has a five year term and is convertible into equity shares of the issuer at any time. The amount of debenture outstanding as of September 30, 2016 is \$2,016,119 with \$880,845 recorded in equity, and the balance in liabilities, to reflect the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows.

## LIQUIDITY AND CAPITAL RESOURCES

### Changes in Cash Position

	For the three-Month Period Ended		For the Nine-Month Period Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	\$	\$	\$	\$
<b>Cash (used in) /provided by:</b>				
<b>Net cash used in operating activities</b>	<b>(41,025)</b>	<b>(1,882)</b>	<b>(209,994)</b>	<b>(1,882)</b>
<b>Net cash provided by financing activity</b>	<b>(2,351)</b>	<b>1,870</b>	<b>2,527,201</b>	<b>1,870</b>
<b>Net cash used in investing activities</b>	<b>7,975</b>	<b>-</b>	<b>10,993</b>	<b>-</b>
<b>Increase (decrease) in cash</b>	<b>(35,401)</b>	<b>(12)</b>	<b>(1,357)</b>	<b>(12)</b>
<b>Cash, beginning of period</b>	<b>36,758</b>	<b>-</b>	<b>3,197</b>	<b>-</b>
<b>Cash, ending of period</b>	<b>1,357</b>	<b>(12)</b>	<b>1,357</b>	<b>(12)</b>

As at September 30, 2016, the Company had \$1,357 in cash. The Company had current assets of \$430,072, current liabilities of \$107,960, with a net working capital of \$322,112. The Company has to rely upon the sale of equity securities primarily through private placements for the cash required for acquisitions, business development, and operating expenses that exceed revenue.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### SELECTED QUARTERLY INFORMATION

## RESULTS OF OPERATIONS

	Three month Ended September 30, 2016	Three month Ended June 30, 2016	Three month Ended March 31, 2016
Revenues	87,019	24,370	-
Net loss	(107,411)	(2,193,583)	(40,867)
Loss per common share	(0.00)	(0.11)	(408.67)

	Three month Ended December 31, 2014	Three months ended September 30, 2015	Three month Ended June 30, 2015	Three month Ended March 31, 2015
Revenues	-	-	-	-
Net loss	(10,905)	(2,730)	(2,450)	-
Loss per common share	(109.05)	(27.30)	(24.50)	-

	Three month Ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Three months ended March 31, 2014
Revenues	-	-	-	-
Net loss	(12,825)	-	-	(352)
Loss per common share	(128.25)	-	-	(3.52)

## PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

## SHARE CAPITAL

a) Authorized: unlimited common shares without par value

(b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares at the time of acquisition the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(c) Share Purchase Warrants

The continuity of warrants for the period ended September 30, 2016 is as follows:

Expiry Date	Exercise Price	December 30, 2016	Issued	Exercised	Expired / Cancelled	September 30, 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

(d) Escrow Shares

As at September 30, 2016, the Company has no shares in escrow but in the event of a successful application for listing has agreed to place 21,200,000 common shares subject to Emerging Issuer escrow.

(e) 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. As at September 30, 2015, no options were granted or outstanding.

## **CAPITAL RESOURCES**

The Company's future capital requirements will depend on many factors, including, among others, property acquisitions and future mineral exploration expenditures. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay future mineral exploration expenditures or property acquisitions and it could be at risk to default on the ongoing payment terms of the option agreement.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As Of September 30, 2016 The Company had \$48,569 interest payable for convertible debenture note.

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 September 30, 2016, the Company had \$1,357 cash and current liabilities of \$107,960.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company holds convertible debentures which are denominated in United States Dollar currency as well as its subsidiary is located in Dominican Republic . A change in foreign currency exchange rates can have an impact on net income and comprehensive income. The result of sensitivity analysis shows an increase or decrease of 5% in exchange rates, with all other variables held constant, could have increased or decreased the net income and comprehensive income by approximately \$100,806 (2015 - \$NIL).

## **RELATED PARTY TRANSACTIONS**

Management fees of \$20,000 (September 30, 2015 - \$0), administration fees of \$4,000 (September 30, 2015 - \$0) and rent fees of \$4,000 (September 30, 2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at September 30, 2016, the Company had \$38,835 due from a director and a company related to a director (September 30, 2015- \$10,522 due to). These balances are non interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of September 30, 2015 is \$2,016,119 CND.

## **RISKS AND UNCERTAINTIES**

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

### **Competition**

The rehabilitation market and expansion into medical tourism is highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- quality service and support;
- price;
- ability to comply with new and changing regulations;
- reputation and stability of the provider.

There can be no assurance that the Issuer will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the products of the Issuer to be superior to competing services.

### **Limited Location**

All of the Issuer's current and anticipated revenues will be derived from its existing Santiago clinic. Consequently, the Issuer's performance will depend on establishing market acceptance of its clinics and services, should it intend to open additional clinics in the same area or in another city. There can be no assurances that the Issuer will establish and maintain a position at the forefront of emerging service quality trends. Any reduction in anticipated future demand or anticipated future sales of these services or any increase in competition could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

### **Dependency on Government Agency**

While the ARL has been highly supportive of PremierDR in the past it is possible that this could change, and that the government legislation passed in recent years regarding the ARL and vehicle and liability insurance could be amended or replaced. A loss of ARL contracts and support or an unfavourable change in legislation concerning the ARL or insurance could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

### **Uninsured Risks**

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

### **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in

accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

#### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**Premier Health Group Inc.**

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Period Ended June 30, 2016

As at February 8, 2017

## INTRODUCTION

### General

The Company was incorporated on September 13, 2013 under the Business Corporations Act (British Columbia) as Proelium MMA Acquisition Corp., a wholly owned subsidiary of Web Watcher Systems Ltd. ("Web Watcher"). The Company became a reporting issuer as a result of the plan of arrangement carried out by Web Watcher dated October 23, 2013 (the "Arrangement").

On July 15, 2013, Web Watcher had entered into a non-binding letter of intent ("LOI") with TKDN MMA Entertainment Ltd. ("TKDN"). The intention of the LOI was to allow Web Watcher to purchase all the outstanding capital stock of TKDN by way of amalgamation. Under the Arrangement, Web Watcher assigned all of its interest in and to the LOI to the Issuer. As consideration for the LOI, the Issuer agreed to issue 14,403,698 common shares to the Web Watcher shareholders. The LOI with TKDN was subsequently cancelled due to lack of funding to proceed on December 9, 2014. The Company subsequently changed its name to Premier Health Group Inc. on July 9, 2015

On August 27, 2015, the Issuer agreed to acquire 4,000,000 shares of Moag Copper Gold Resources Inc. ("Moag") for investment purposes pursuant a share exchange agreement by issuing 20,000,000 common shares of the Issuer at a deemed price of \$0.02 per share as consideration. On August 27, 2015, the shares of Moag were trading on the Canadian Securities Exchange at \$0.10 per share. Moag was subject to a cease trade order dated October 13, 2015, made by the Director of the Ontario Securities Commission pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Securities Act (Ontario), and which was extended by a further cease trade order dated October 26, 2015.

The Issuer acquired 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX in consideration for 200,000 units for investment purposes, each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

On June 17, 2016, the Company completed acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 CND (US\$ 1,500,000). The purchase price is supported by the audited financial statements of Clinicas as of December 31, 2014 and 2015. The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000. The note is a 5 year, 8.5% interest bearing, due on June 17, 2021. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement.

Our head office, registered and records office is located at 440-890 W Pender St, Vancouver, BC V6C 1J9

## **Basis of Discussion & Analysis**

This management's discussion and analysis ("MD&A") is dated as of February 6, 2017 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2016, and June 30, 2015, and the audited financial statements for the year ended December 31, 2015

Our discussion in this MD&A is based on the Financial Statements for the six months ended June 30, 2016, and June 30, 2015 prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. The financial statements and MD&A have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and as such do not include all of the information required for full annual financial statements.

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **THE COMPANY AND BUSINESS**

PremierDR was incorporated in 2010 in the Dominican Republic by Brenda Rasmussen. PremierDR is a wholly owned subsidiary of Premier Health Group Inc., ("Premier Group") a public health care company domiciled in Canada. The company's flagship location opened in Santiago, DR in January 2011. Santiago is the country's second largest city, with a population of 1,200,000, and was selected as an ideal location for the initial facility. Visit PremierDR at [www.premiersaludrd.com](http://www.premiersaludrd.com) and see the video under the heading "nosotros".

The Dominican Republic (DR) is on the eastern two-thirds of the Hispaniola Island, located in the Caribbean; Atlantic Ocean at its north, Caribbean Sea to the south, Puerto Rico to the east, and Cuba to the west. Hispaniola, Puerto Rico, Cuba, and Jamaica are referred to as the Greater Antilles. The western portion of the island is occupied by the Republic of Haiti.

According to the Canada Export Corporation Spring 2016 Report, the DR is the second-largest country in the Caribbean, with a population of approximately 10.4 million. At US\$62 billion, the DR has also the largest economy in the Caribbean and Central America, and has been one of the countries with highest growth rates in the region since 2010, averaging 5.1% a year. Canada is one of the largest investors in the country in the mining, financial services and manufacturing sectors.

After the successful founding and exit from health clinic company Alegro (Now Centric Health Corp CHH on TSX) Brenda Ramussen became aware of health care, and especially rehabilitation, opportunities in the Dominican Republic.

Recognizing the importance of developing, modernizing and expanding the economy beyond its traditional reliance on tourism and low cost labour (Free Trade Zone assembly and manufacturing), the government of the Dominican Republic has instituted numerous forms of legislation to achieve that end. By 2010 the majority of these legislative initiatives were in place.

Among them are the strengthening and reorganization of the government worker's compensation scheme ("ARL") Spanish acronym for Administradora de Riesgos Laborales), and the introduction of mandatory vehicle and liability insurance. Vehicle insurance is a major development for the country, which has over 2 million motorcycles in a population of 10 million and which account for a very high percentage of the country's considerable traffic accident volume. Injuries and deaths per 100,000 people are amongst the highest in the world. Unlike most North American worker's compensation programs, the ARL also covers the insured when travelling to and from work.

While these new initiatives came into force, there was very little in the way of rehabilitation providers able to meet the increased demands and treatment outcomes required by the ARL or the vehicle insurers in the event of serious injury.

Given the shortage of quality rehabilitation available throughout the country, PremierDR opened in January, 2011. The company introduced North American standards of rehabilitation practices and assessment methodology to the Dominican Republic for the first time.

Because of the advanced treatment methodologies and high level of equipment and technology being made available for the first time (and imported from the United States) the facility received a great deal of media attention. In addition to numerous newspaper features, founder and President Brenda Rasmussen has appeared on television on numerous occasions.

A 6,000 sq. ft. facility was leased and after a period of introduction, PremierDR now operates with 21 staff and holds nation-wide contracts from the ARL and all of the major Dominican insurance companies.

The Issuer is aware that it is more likely to encounter obstacles arising out of corruption in the Dominican Republic than it would be in Canada and has designed oversight practices of direct CEO and board supervision to minimize the chance that local corruption could have any adverse effect on the Issuer's operations.

#### PremierDR Rehabilitation and Assessment Services

Premier Clinicas de Rehabilitacion is a multidisciplinary rehabilitation facility based on the latest North American practices and methods. The clinic provides physiotherapy, massage therapy, return to work

treatment and conditioning under the direct supervision of orthopedic surgeons, physiatrists and licensed rehabilitation specialists.

Primary fields of specialty are automobile/workplace accidents, post surgery rehab, sports injuries, strokes and other neurological conditions. PremierDR also offers a unique Speech Language Department, which offers pediatric services to infants and children with short term delayed language development conditions.

The company has also developed a proprietary billing and case management tracking system. This system was designed to provide centralized state-of-the-art real time information for both the company and its customers and is scalable to permit its use in all satellite locations by intranet. The nerve center of the system is located in Santiago.

#### Customer Base and Payment Schedules

In addition to the ARL, which has given PremierDR a contract for the entire country, revenues are generated from auto insurers, private payer patients, supplemental health care providers and professional athletes or their organizations. PremierDR also has nation-wide contracts with all major auto insurers.

Unlike rehabilitation facilities in Canada, PremierDR receives three distinct revenue streams. The ARL, the company's largest customer by patient volume, pays in full for the services provided. As a rule, auto and health insurance companies require a cash co-payment to be paid to PremierDR by the insured at the time of treatment. Private (non-insured) patients pay for treatment 100% in cash. Co-pay and private payer patients are increasingly becoming aware that the higher out of pocket cost of their treatment at PremierDR is more than offset by the superior service and patient outcomes they receive.

The business provides physiotherapy, massage therapy, conditioning and return to work treatment supervised by a medical team specializing in Physical Therapy. These services are provided to patients who are recovering from accidents, surgery, sport injuries, strokes and other neurological conditions.

Premier offers a dedicated Speech Language department, specializing in pediatric services to infants and children with short term delayed language and development conditions. In addition to servicing the private patient community, the business holds national contracts with insurance companies and government agencies.

PremierDR is partially dependent on nation-wide contracts from the ARL and a favourable legislative environment regarding the ARL vehicle accident liability insurance. An unanticipated change in government could have adverse effects on the legislative environment regarding the ARL and PremierDR's contract with the ARL. The ARL is PremierDR's largest customer and an unfavourable change in the regulatory, legislative or political environment concerning the ARL and Dominican insurance law could have a material adverse effect on the business, results of operations and financial condition of PremierDR and the Issuer.

## SELECTED QUARTERLY INFORMATION

	For the three-Month Period Ended		For the six-Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	\$	\$		
Revenues	(24,370)	-	(24,370)	-
Expenses	2,193,593 <sup>1</sup>	2,450	2,266,307	2,450
Net income (loss)	(2,193,583)	(2,450)	(2,241,937)	(2,450)
Income (loss) per common share	(0.11)	(24.50)	(0.22)	(24.50)
Total assets	518,731	738	518,731	738
Total liabilities	1,467,951	16,265	2,348,796	16,265
Dividends declared	-	-	-	-

Expenses include \$2,070,734 in acquisition expense and \$39,512 in Other non recurring items

### Additional Disclosure for Venture issuers without Significant Revenue

The Company had no active operation until June 17, 2016. The net loss was mainly attributed to the acquisition expenses relating to the acquisition of Premier Clinicas de Rehabilitacion, S. R. L. and basic operating expenses, which include office and administration expenses, interest expense, consulting fees, accounting fees, legal fees, regulatory filings fees and transfer agent fees. Under advice from the Issuers auditor the acquisition price was expensed as the private company acquired didn't have the ability to repay the debt from internal cash flow at the time of purchase although the debt issued in payment has a five year term and is convertible into equity shares of the issuer at any time. The amount of debenture with a face amount of \$1,943,867 is shown as, \$1,063,022 in liabilities and \$880,845 in equity, to reflect the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows.

## RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

The Company had not commenced operations and there were no operations until June 17, 2016 and accordingly the statements were consolidated from that date until the period ended June 30, 2016. Total revenue recorded is entirely from the Dominican physiotherapy clinic for the approximately half month period. Expenses of the clinic for the consolidated period were \$15,385 resulting in net income of \$8,985.

## LIQUIDITY AND CAPITAL RESOURCES

### Changes in Cash Position

	For the Three-Month Period Ended		For the Six-Month Period Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	\$	\$	\$	\$
<b>Cash (used in) /provided by:</b>				
Net cash used in operating activities	(128,255)	-	(166,439)	-
Net cash provided by financing activity	2,958	-	2,958	-
Net cash used in investing activities	-	-	200,000	-
(Decrease) increase in cash	(125,297)	-	36,519	-
Cash, beginning of period	165,013	100	3,197	100
<b>Cash, ending of period</b>	<b>39,716</b>	<b>100</b>	<b>39,716</b>	<b>100</b>

As at June 30, 2016, the Company had \$39,716 in cash. The Company had current assets of \$451,112, current liabilities of \$371,280, with a net working capital of \$37,056. The Company must rely upon internally generated funds or the sale of equity securities primarily through private placements for the cash required for acquisitions and operating expenses.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## SELECTED QUARTERLY INFORMATION

### RESULTS OF OPERATIONS

	Three month Ended June 30, 2016	Three month Ended March 31, 2016
Revenues	24,370	-
Net loss	(2,193,583)	(40,867)
Loss per common share	(0.11)	(408.67)

	Three month Ended December 31, 2014	Three months ended September 30, 2015	Three month Ended June 30, 2015	Three month Ended March 31, 2015
Revenues	-	-	-	-
Net loss	(10,905)	(2,730)	(2,450)	-
Loss per common share	(109.05)	(27.30)	(24.50)	-

	Three month Ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Three months ended March 31, 2014
Revenues	-	-	-	-
Net loss	(12,825)	-	-	(352)
Loss per common share	(128.25)	-	-	(3.52)

### PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

### SHARE CAPITAL

- a) Authorized: unlimited common shares without par value
- (b) Issued and Outstanding:

On incorporation, September 19, 2013, 100 common shares were issued at \$1 per share.

On May 9, 2016, the Company has cancelled 100 incorporation shares and issued 14,403,698 common shares to the Web Watcher Systems Ltd. Shareholders under the Plan of Arrangement.

On May 9, 2016, pursuant to an agreement dated August 27, 2015 with Winston Ventures Inc. ("Winston") a company owned and controlled by Gary Brown, the Company issued 20,000,000 common shares to Winston in exchange for 4,000,000 shares of Moag Copper Gold Resources Inc. ("MOG").

On May 9, 2016, the Company issued 200,000 units in consideration for 1,000,000 shares of CENTRIC HEALTH CORP., symbol CHH on the TSX. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant shall entitle the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance. Based on the trading value of CHH shares at the time of acquisition the value of the units is \$250,000.

On May 9, 2016, pursuant to a private placement agreement for \$200,000 dated February 5, 2016, the Company issued 133,333 units at a price of \$1.50 per unit. Each unit consists of one share and one share purchase warrant (the "Warrant") of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.50 per share for a period of two years from date of issuance.

(c) Share Purchase Warrants

The continuity of warrants for the period ended June 30, 2016 is as follows:

Expiry Date	Exercise Price	December 30, 2016	Issued	Exercised	Expired/Cancelled	June 30, 2016
May 9, 2018	\$1.5	-	333,333	-	-	333,333
		-	333,333	-	-	333,333

(d) Escrow Shares

As at June 30, 2016, the Company has proposed in accordance with an application for listing to deposit 21,200,000 common shares to be held in escrow

(e) 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. As at June 30, 2015, no options were granted or outstanding.

## **CAPITAL RESOURCES**

The Company's future capital requirements will depend on many factors, including, among others, property acquisitions and future mineral exploration expenditures. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay future mineral exploration expenditures or property acquisitions and it could be at risk to default on the ongoing payment terms of the option agreement.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instrument consist of cash, accounts payable, due to the related parties and convertible debentures the fair values of which are considered to approximate their carrying values due to their short-term maturities.

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of June 30, 2016, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

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 June 30, 2016, the Company had \$39,716 cash and current liabilities of \$371,280.

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 insignificant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risks are primarily cash, accounts receivable, accounts payable and loans that are held in foreign currency. In addition, the Company holds convertible debentures which are denominated in United States Dollar currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income. The result of sensitivity analysis shows an increase or decrease of 5% in exchange rates, with all other variables held constant, could have increased or decreased the net income and comprehensive income by approximately \$97,193 (2015 - \$NIL).

## **RELATED PARTY TRANSACTIONS**

Management fees of \$12,500 (June 30, 2015 - \$nil), administration fees of \$2,500 (June 30, 2015 - \$Nil) and rent fees of \$2,500 (June 30, 2015 - \$Nil) were charged by a company controlled by the director. The management fees also represent key management compensation incurred during the period. As at June 30, 2016, the Company had \$31,292 due from a director and a company related to a director (December 31, 2015- Payable (\$29,022)). These balances are non interest bearing and are due on demand.

On June 17, 2016, the Company borrowed \$1,931,700 CND (US\$ 1,500,000) for acquisition of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic from a Director. Convertible promissory note is a 5 year (due date is June 17, 2021), 8.5% interest bearing with a face value of US\$ 1,500,000. The holder of the Promissory Note has the right to convert (at any time) any outstanding balance of the principal and interest of the Promissory Note into common shares of the Company at C\$0.25 per share. The Company has the right to prepay any amount of the outstanding principal and the interest of the Promissory Note without a penalty before the due date of the Promissory Note. The Note is secured by a general security agreement. Balance outstanding as of June 30, 2015 is \$1,943,867 CND.

On the acquisition, the Company assumed debt recorded at \$298,488 as of June 30, 2016 owed to the former sole shareholders of Premier Clinicas de Rehabilitacion, S.R.L.

## **RISKS AND UNCERTAINTIES**

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

## **Competition**

The rehabilitation market and expansion into medical tourism is highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- quality service and support;
- price;
- ability to comply with new and changing regulations;
- reputation and stability of the provider.

There can be no assurance that the Issuer will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the products of the Issuer to be superior to competing services.

## **Limited Location**

All of the Issuer's current and anticipated revenues will be derived from its existing Santiago clinic. Consequently, the Issuer's performance will depend on establishing market acceptance of its clinics and services, should it intend to open additional clinics in the same area or in another city. There can be no assurances that the Issuer will establish and maintain a position at the forefront of emerging service quality trends. Any reduction in anticipated future demand or anticipated future sales of these services or any increase in competition could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

## **Dependency on Government Agency**

While the ARL has been highly supportive of PremierDR in the past it is possible that this could change, and that the government legislation passed in recent years regarding the ARL and vehicle and liability insurance could be amended or replaced. A loss of ARL contracts and support or an unfavourable change in legislation concerning the ARL or insurance could have a material adverse effect on the Issuer's business prospects, operating results, or financial condition.

## **Uninsured Risks**

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

## **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be

in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

#### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## SCHEDULE “G”

### AUDIT COMMITTEE CHARTER

#### 1. The Audit Committee’s Charter

##### **The Audit Committee’s Charter of Premier Health Group Inc.**

##### ***Purpose of the Committee***

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Corporation is to provide an open avenue of communication between management, the Corporation’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Corporation’s financial reporting and disclosure practices;
- the Corporation’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Corporation’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Corporation’s charter documents and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Corporation’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“IFRS”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Corporation’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Corporation’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

##### ***Authority and Responsibility***

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Corporation’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.
11. Establish and review the Corporation's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting Corporation in National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* and the charter documents of the Corporation.

## **2. Composition of the Audit Committee**

Brenda Rasmussen, Brian Peterson and Katherine Badali are members of the audit committee. Each member of the audit committee is financially literate as defined by NI 52-110. Brenda Rasmussen is not an independent member of the audit committee by virtue of her position as CEO. Brian Peterson is an independent director of the company. Katherine Badali is an independent director of the company.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

## **3. Relevant Education and Experience**

The following is the description of education and experience of each audit committee member that is relevant to the performance of his duties.

Ms. Brenda Rasmussen acquired her financial literacy while founding and leading Alegro Health Corp. (now Centric Health Corporation), a TSX listed public company.

Mr. Brian Peterson acquired his financial literacy while dealing with government and regulatory bodies with an emphasis on financial institution regulation.

Ms. Katherine Badali acquired her financial literacy during her tenure as Chief Operating Officer of Alegro Health Corp. (now Centric Health Corporation) in addition to while acting as president of Kathy Badali & Associates, an independent management consulting firm in Toronto.

#### 4. Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor.

#### 5. Reliance on Certain Exemptions

The Company’s auditors, Buckley Dodds Parker LLP, have not provided any material non-audit services.

#### 6. Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

#### 7. External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Buckley Dodds Parker LLP to the Company to ensure auditor independence. Fees incurred with Buckley Dodds Parker LLP for audit and non-audit services during the last two fiscal years for audit fees are outlined in the following table.

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
December 31, 2015	\$7,770.00	Nil	Nil	Nil
December 31, 2014	\$5,250.00	Nil	Nil	Nil

Notes:

- <sup>(1)</sup> “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- <sup>(2)</sup> “Audit Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- <sup>(3)</sup> “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- <sup>(4)</sup> “All Other Fees” include all other non-audit services.

#### Exemptions

In respect to the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52 -110.

## CERTIFICATE OF THE ISSUER

Date: February 10, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia.

(signed) "Brenda Rasmussen"  
Brenda Rasmussen  
Chief Executive Officer, President and Director

(signed) "Donald Gordon"  
Donald Gordon  
Chief Financial Officer and Director

## ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Katherine Badali"  
Katherine Badali  
Director

(signed) "Brian Peterson"  
Brian Peterson  
Director

## CERTIFICATE OF THE PROMOTERS

Date: February 10, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia.

(signed) "Brenda Rasmussen"  
Brenda Rasmussen  
Promoter  
Chief Executive Officer, President and Director

(signed) "Donald Gordon"  
Donald Gordon  
Promoter  
Chief Financial Officer and Director