

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

Condensed Consolidated Interim Financial Statements
(Unaudited)

For the nine month period ended September 30, 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)

		September 30, 2017	December 31, 2016
	Note	\$	\$
ASSETS			
Current Assets			
Cash		4,618	15,610
Accounts receivable	3	42,712	44,267
Prepaid		4,850	23,129
Investments – available for sale	8	1	536,501
Medical supplies		2,920	4,946
Due from related parties	11	671,937	43,797
Total current assets		727,038	668,250
Vehicles, machinery and leasehold improvements	5	78,878	90,556
Total Assets		805,916	758,806
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		264,458	157,153
Due to related parties	11	64,404	22,145
Revolving loans	6	-	5,944
Convertible debentures	11/14	1,210,253	1,218,737
Loan	6	20,417	29,370
Total Liabilities		1,559,532	1,433,349
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	850,100	850,100
Reserves	7	(358,258)	(61,554)
Equity component of convertible debenture	7	880,845	880,845
Deficit		(2,126,265)	(2,343,902)
Equity attributable to shareholders of the Company		(753,578)	(674,511)
Non-controlling interest		(38)	(32)
Total equity		(753,616)	(674,543)
Total liabilities and equity		805,916	758,806
Nature of operations and going concern	1		
Commitments	13		

Approved and authorized for issuance by the Board of Directors on November 28, 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 nine-Month Period Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	\$	\$	\$	\$
Revenue	(78,975)	(87,019)	(238,344)	(111,389)
Expenses				
Advertising	6,052	7,607	18,192	9,005
Accretion and interest expense	74,278	-	224,963	-
Consulting fees	4,389	-	39,342	-
Depreciation	3,924	2,195	12,319	2,195
Interest and bank charges	4,553	48,990	15,742	58,709
Insurance	2,271	-	5,026	185
Management fees (Note 12)	7,500	7,500	22,500	20,000
Office and Admin (Note 12)	12,655	9,248	44,163	17,692
Professional fees	11,166	26,889	25,409	113,429
Regulatory fees	2,986	1,530	7,714	6,817
Rent (Note 12)	20,165	19,465	63,094	23,394
Repair and maintenance	3,868	4,058	12,169	4,585
Transfer Agent	-	-	-	5,307
Wages and related expenses	35,222	36,295	113,686	42,709
Total Expenses	189,029	163,777	604,319	304,027
Net loss before other items	110,054	76,758	365,975	192,638
Other income (expense)				
Acquisition expense (Note 4)	-	-	-	(2,070,734)
Realized gain on marketable Securities	30,370		475,780	
Other income (expense)	(188)		(1,433)	
Foreign exchange gain (loss)	50,264	(30,653)	109,259	(45,488)
Net (loss) income for the period	(29,608)	(107,411)	217,631	(2,308,860)
Other comprehensive loss:				
Foreign currency translation	6,522	-	8,546	-
Unrealized gain (loss) on marketable securities	(30,150)	-	(305,250)	(40,000)
	(23,628)	-	(296,704)	(40,000)
Total comprehensive loss for the period	(53,236)	(107,411)	(79,073)	(2,348,860)
Basic and diluted loss per common share	(0.00)	(0.01)	0.01	(0.17)
Weighted average number of common shares outstanding	34,737,031	13,667,064	34,737,031	13,667,064

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
		\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2014	100	100	-	-	-	(13,177)	-	(13,077)
Fair value adjustment	-	-	(399,999)	-	-	-	-	(399,999)
Shares to be issued	-	-	-	-	400,000	-	-	400,000
Net loss for the year	-	-	-	-	-	(25,540)	-	(25,540)
Balance, December 31, 2015	100	100	(399,999)	-	400,000	(38,717)	-	(38,616)
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)
Balance, December 31, 2016	34,737,031	850,100	(61,554)	880,845	-	(2,343,902)	(32)	(674,543)
Fair value adjustment	-	-	(305,250)	-	-	-	-	(305,250)
Currency translation adjustment	-	-	8,546	-	-	-	-	8,546
Net loss for the period	-	-	-	-	-	217,637	(6)	217,631
Balance, September 30, 2017	34,737,031	850,100	(358,258)	880,845	-	(2,126,265)	(38)	(753,616)

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 Nine-Month Period Ended	September 30, 2017	September 30, 2016
	\$	\$
Cash provided by (used in) :		
Operating activities		
Net income (loss) for the period	217,631	(2,308,860)
Item not involving cash		
Accretion on convertible debenture	224,963	48,404
Acquisition expense	-	2,070,734
Depreciation	12,319	2,195
Foreign exchange gain	(109,171)	(6,377)
	345,742	(193,904)
Change in non-cash working capital components:		
Accounts receivable	(1,976)	(42,764)
Medical supplies	1,669	-
Prepaid expenses	17,131	22,010
Accounts payable and accrued liabilities	(10,552)	50,461
Due from related parties	(628,140)	(46,285)
	(276,126)	(210,482)
Net cash used in operating activities	(276,126)	(210,482)
Investing activities		
Inventory	-	7,975
Cash from acquisition of Premier Clinicas de Rehabilitacion, S.R.L	-	2,958
Equipment	(641)	
Sale of investment	231,250	-
	230,609	10,993
Net cash provided by investing activities	230,609	10,993
Financing activities		
Due to related party	46,899	-
Loan repayment	(12,374)	(2,351)
Share subscriptions	-	200,000
	34,525	197,649
Net cash provided by financing activities	34,525	197,649
(Decrease) in cash	(10,992)	(1,840)
Cash, beginning	15,610	3,197
Cash, ending	4,618	1,357

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

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

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 September 30, 2017, the Company had a net income of \$217,631 (September 30, 2016 - \$2,308,860 loss) and had an accumulated deficit of \$2,126,265 (September 30, 2016 - \$2,387,577) 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 Condensed Consolidated Interim Financial Statements
For the Nine Month period ended September 30, 2017
(Expressed in Canadian dollars – unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated interim financial statements 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.

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:

	September 30, 2017	December 31, 2016
	\$	\$
Trade receivables	135,721	139,408
GST receivable	7,523	5,391
Allowance for doubtful account	(100,532)	(100,532)
	\$ 42,712	\$ 44,267

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

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

	For the period from January 1 to September 30, 2017
Revenue	\$ 238,344
Expenses	(296,025)
Net loss	\$ (57,681)

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5. VEHICLES, MACHINERY AND LEASEHOLD IMPROVEMENTS

	Office furniture	Machinery and equipment	Vehicle	Leasehold improve- ments	Total
Cost					
Balance at December 31, 2016	\$ 66,633	\$ 81,366	\$ 53,704	\$ 13,352	\$ 215,055
Additions or disposals	-	641	-	-	641
Balance at September 30, 2017	66,633	82,007	53,704	13,352	215,696
Accumulated amortization					
Balance at December 31, 2016	\$ 57,565	\$ 33,796	\$ 30,607	\$ 2,531	\$ 124,499
Amortization for the period	1,586	5,157	4,042	1,534	12,319
Balance at September 30, 2017	59,151	38,953	34,649	4,065	136,818

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, 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 September 30, 2017, the Company owes \$20,417 (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.

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7. SHARE CAPITAL (continued)

(a) Share Purchase Warrants

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

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

As at September 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 0.61 years

(b) Escrow Shares

As at September 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 December 31, 2016, 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 September 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	(305,250)			(305,250)
Cumulative translation adjustment		8,546		8,546
Total	(399,999)	8,267	33,474	(358,258)

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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:

September 31, 2017	Cost	Realized gain (loss)	Unrealized gain (loss)	Capital Adjustment reserve	Market value*
	\$				\$
September 31, 2017					
MOG	400,000	-	-	(399,999)	1
CHH	250,000	475,780	-	-	-
Total	650,000	475,780	-	(399,999)	1
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

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 September 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 September 30, 2017, the Company had \$4,618 cash and current liabilities of \$1,559,532.

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:

	September 30, 2017	September 30, 2016
CFO fees	\$ 22,500	\$ 20,000
Legal fees paid to a Company owned by the CFO	4,500	Nil
Administration fees paid to a Company owned by the CFO	4,500	4,000
Rent paid to a Company owned by the CFO	5,250	4,000

As at September 30, 2017, the Company had \$671,937 (December 31, 2016 - \$43,797) due from various directors and a company related to a director. This consists mainly of \$439,688 due from the CFO and \$220,000 to a company with common Directors to be used to acquire assets. These balances are noninterest 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.

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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 September 30, 2017 is \$2,091,098 (December 31, 2016 - \$2,099,582 CND).

As of September 30, 2017, the Company had \$64,404 (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 September 30, 2017	Canada	Dominica Republic	Total
Assets	\$ 682,489	\$ 123,427	\$ 805,916

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 nine month period ended September	\$ 275,312	\$ (57,681)	\$ 217,631

	Canada	Dominica Republic	Total
Net income (loss) for the nine month period ended September	\$ (2,311,721)	\$ 2,861	\$ (2,308,860)

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.

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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 \$224,963 (September 30, 2016 - \$nil) accretion was recorded as expense for the period ended September 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.

15. SUBSEQUENT EVENTS

The Company issued 207,000 shares in respect of the rights offering and accordingly has accepted the \$207,000 in subscriptions.

The Company was accepted for listing on the Canadian Securities Exchange symbol PHGI to commence trading November 29, 2017.