

Premier Health Group Inc.

Consolidated Financial Statements

For the Year Ended December 31, 2017 and 2016

(Expressed in Canadian dollars)
Amended and Restated

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Amended and Restated

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Premier Health Group Inc.:

We have audited the accompanying consolidated financial statements Premier Health Group Inc. which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive income (loss), changes in shareholders' equity (deficiency) 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 audits. We conducted our audits 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 controls 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, 2017 and 2016, and its consolidated 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 Premier Health Group Inc.'s ability to continue as a going concern.

Vancouver, British Columbia
June 22, 2018



Buckley Dodds LLP
Chartered Professional Accountants

PREMIER HEALTH GROUP INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at
Amended and Restated

	December 31, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash (Note 4)	\$ 451	\$ 15,610
Accounts receivable (Note 5)	11,216	44,267
Prepaid	-	23,129
Marketable securities (Note 6)	1	536,501
Medical supplies	-	4,946
Due from related parties (Note 11)	45,000	43,797
Total current assets	56,668	668,250
Note receivable (Note 11)	220,000	-
Due from related parties (Note 11)	134,142	-
Property and equipment (Note 7)	-	90,556
Total Assets	\$ 410,810	\$ 758,806
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 8, 11)	\$ 135,320	\$ 218,982
Loan (Note 9)	-	29,370
Revolving loans (Note 9)	-	5,944
Convertible debenture (Note 10)	1,189,180	1,156,908
Due to related parties (Note 11)	-	22,145
Liabilities from discontinued operations (Note 12)	45,453	-
Total Liabilities	1,369,953	1,433,349
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 13)	1,057,100	850,100
Equity component of convertible debenture	880,845	880,845
Accumulated other comprehensive income	(399,107)	(61,554)
Deficit	(2,497,890)	(2,343,902)
Deficiency attributable to shareholders of the Company	(959,052)	(674,511)
Non-controlling interest	(91)	(32)
Total Deficiency	(959,143)	(674,543)
Total Liabilities and Shareholders' Deficiency	\$ 410,810	\$ 758,806
Nature of operations and going concern (Note 1)		
Subsequent events (Note 18)		

Approved and authorized for issuance by the Board of Directors on June 22, 2018

"Brenda Rasmussen"
Brenda Rasmussen, CEO, Director

"Donald Gordon"
Donald Gordon, CFO, Director

The accompany notes are an integral part of these consolidated financial statements

PREMIER HEALTH GROUP INC.
Consolidated Statements of Loss and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
For the years ended
Amended and Restated

	December 31, 2017	December 31, 2016 (Note 12)
EXPENSES		
Accretion and interest expense on convertible debt (Notes 10, 11)	\$ 283,216	\$ 130,993
Bank charges an interest	111	22,660
Consulting fees (Note 11)	171,038	43,320
Management fees (Note 11)	66,000	27,500
Office and Administration (Note 11)	6,000	10,733
Professional fees	160,149	47,535
Rent (Note 11)	6,750	5,500
Transfer Agent and regulatory fees	32,940	17,625
	(726,204)	(305,866)
Impairment of goodwill (Note 3)	-	(1,776,594)
Realized gain on marketable securities (Note 6)	475,780	22,231
Foreign exchange gain (loss)	136,619	(83,673)
Loss from discontinued operations (Note 12)	(73,715)	(161,299)
Net loss for the year	\$ (187,520)	\$ (2,305,201)
Net income (loss) attributable to:		
Shareholders of the Company	\$ (187,446)	\$ (2,305,185)
Non-controlling interest	(74)	(16)
	\$ (187,520)	\$ (2,305,201)
Other comprehensive income (loss):		
Fair value adjustment on marketable securities	\$ (305,250)	\$ 305,250
Revaluation of fixed assets	(33,474)	33,474
Foreign currency translation	1,170	(279)
Other comprehensive income (loss)	(337,554)	338,445
Total comprehensive loss for the year	\$ (525,074)	\$ (1,966,756)
Other comprehensive income (loss) attributable to:		
Shareholders of the Company	\$ (337,523)	\$ 338,461
Non-controlling interest	(31)	(16)
	\$ (337,554)	\$ 338,445
Total comprehensive loss attributable to:		
Shareholders of the Company	\$ (525,959)	\$ (1,966,724)
Non-controlling interest	(105)	(32)
	\$ (525,074)	\$ (1,966,756)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.17)
Weighted average number of common shares outstanding	15,714,878	13,111,146

The accompany notes are an integral part of these consolidated financial statements

PREMIER HEALTH GROUP INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
Amended and Restated

	Number of outstanding shares	Share capital	Equity component of convertible	Shares to be issued	Accumulated other comprehensive income (loss)	Deficit	Non- controlling interest	Total
Balance, December 31, 2015	100	\$ 100	\$ -	\$ 400,000	\$ (399,999)	\$ (38,717)	\$ -	\$ (38,616)
Shares reissued	14,403,598	-	-	-	-	-	-	-
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	-	-	-	-	880,845
Revaluation of fixed assets	-	-	-	-	33,474	-	(16)	33,458
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	\$ 880,845	\$ -	\$ (61,554)	\$ (2,343,902)	\$ (32)	\$ (674,543)
Shares issued for cash	7,000	7,000	-	-	-	-	-	7,000
Shares issued for debt settlement	200,000	200,000	-	-	-	-	-	200,000
Revaluation of fixed assets	-	-	-	-	(33,474)	33,458	16	-
Currency translation adjustment	-	-	-	-	1,171	-	(1)	1,170
Fair value adjustment	-	-	-	-	(305,250)	-	-	(305,250)
Net loss for the year	-	-	-	-	-	(187,446)	(74)	(187,520)
Balance, December 31, 2017	34,944,031	\$ 1,057,100	\$ 880,845	\$ -	\$ (399,107)	\$ (2,497,890)	\$ (91)	\$ (959,143)

The accompany notes are an integral part of these consolidated financial statements

PREMIER HEALTH GROUP INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended
Amended and Restated

	December 31, 2017	December 31, 2016
Cash provided by (used in):		
Operating activities		
Net Gain (loss)	\$ (187,520)	\$ (2,305,201)
Item not involving cash		
Impairment of goodwill	-	1,776,594
Accretion on convertible debenture	117,644	130,993
Amortization	17,264	10,540
Bad debts expense	-	100,531
Unrealized foreign exchange (gain) loss	(10,312)	36,906
Gain on sale of marketable securities	(475,780)	-
Change in non-cash working capital components:		
Accounts receivable	33,051	(30,847)
Prepaid	23,129	20,099
Medical supplies	4,946	6,477
Accounts payable and accrued liabilities	116,338	100,281
Net liabilities from discontinued operations	27,110	-
Net cash used in operating activities	(334,130)	(153,627)
Investing activities		
Sale of marketable securities	707,030	18,750
Cash from acquisition of Premier Clinicas de Rehabilitacion S.R.L.	-	2,958
Acquisition of property and equipment	(598)	-
Net cash provided by investing activities	706,432	21,708
Financing activities		
Related party	(157,490)	(50,913)
Loan repayments	(16,971)	(4,755)
Note receivable	(220,000)	-
Proceeds from share issuance	7,000	200,000
Net cash provided by financing activities	(387,461)	144,332
Increase (decrease) in cash	(15,159)	12,413
Cash, beginning	15,610	3,197
Cash, ending	\$ 451	\$ 15,610
Cash paid for interest	\$ -	\$ -
Cash paid for income tax	\$ -	\$ -

During the year ended December 31, 2017, \$200,000 of interest payable on convertible debentures was settled by the issuance of 200,000 common shares valued at \$200,000.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Premier Health Group Inc. (the “Company”) was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada. The parent company of the Company was Web Watcher Systems Ltd. (“Web Watcher”), which was incorporated on April 16, 2010 pursuant to the British Columbia Act. The Company entered into 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 during the year ended December 31, 2016 in exchange for 100 common shares held by Web Watcher, and became a separate entity from Web Watcher.

On June 17, 2016, the Company completed the acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. (“Clinicas”) (*Note 3*).

The Company 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. The Company offers a dedicated speech language department, specializing in pediatric services to infants and children with short term delayed language and development conditions.

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 using International Financial Reporting Standard (“IFRS”) on a going concern basis 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. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. During the year ended December 31, 2017, the Company had net loss of \$187,520 and as at December 31, 2017 had an accumulated deficit of \$2,497,890 which has been funded primarily by share subscriptions received and loans from related parties. As at December 31, 2017, the Company had a working capital deficit of \$1,313,285. 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 an investment plan. 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

a) **Basis of Consolidation**

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

b) **Basis of Presentation**

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

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent Company, while the functional currency of its subsidiary, Clinicas, is the Dominican Peso. These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss, and available-for-sale, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

c) **Significant Accounting Judgments and Estimates**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders’ equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company has been determined to be the Canadian dollar, while the functional currency of its subsidiary is the Dominican Peso.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based Payments

Estimating fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. SIGNIFICANT ACCOUNTING POLICIES (continued...)

c) Significant Accounting Judgments and Estimates (continued...)

Key Sources of Estimation Uncertainty (continued...)

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful Life of Property and Equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Allowance for Doubtful Accounts

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

d) Cash

Cash is comprised of cash in banks and bank indebtedness.

e) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost of property and equipment, less its estimated residual value, using the rates and methods below:

Office furniture	25% - declining balance
Machinery and equipment	15% - declining balance
Vehicle	25% - declining balance
Leasehold improvements	5 years - straight-line

2. SIGNIFICANT ACCOUNTING POLICIES (continued...)

f) Impairment

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For the purposes of impairment testing, long-lived assets are allocated to cash-generating units to which the operating activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets and liabilities classified as available-for-sale are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Marketable securities	Available-for-sale	Fair value
Receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Notes receivable	Loans and receivables	Amortized cost
Payables	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost
Loans	Other liabilities	Amortized cost
Convertible debt	Other liabilities	Amortized cost
Liabilities from discontinued operations	Available for sale	Fair value

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

g) Financial Instruments *(continued...)*

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and marketable securities have been measured at fair value using Level 1 inputs.

h) 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.

i) Earnings/(Loss) Per Share

Basic earnings/(loss) per share is computed by dividing the income/(loss) for the period by the weighted average number of common shares outstanding during the period. Contingently returnable escrow shares are removed from the calculation.

For diluted per share computations, assumptions are made regarding potential common shares outstanding during the period. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the period, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the period, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

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

j) Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

k) Income Taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

l) Foreign Currency Translation

The functional currency of Premier Health Inc., the parent, is the Canadian Dollar, and the functional currency of the subsidiary Clinicas, is the Dominican Peso. The presentation currency of the consolidated financial statements is the Canadian Dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

2. SIGNIFICANT ACCOUNTING POLICIES (continued...)

l) Foreign Currency Translation (continued...)

Transactions and balances: (continued...)

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

m) 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).

n) Non-controlling Interest

Non-controlling interest is measured at its proportionate share of the acquiree's identifiable net assets or liabilities. Net income or loss and comprehensive income or loss for the period are allocated between non-controlling interest and shareholders of the parent. Non-controlling interest in subsidiaries must be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

o) Reclassification

Certain prior period's amounts have been reclassified to confirm to the current year's presentation.

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

p) Accounting Standards Issued but not yet Effective

Amendments to IFRS 2 – “Share-Based Payments”

This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any. Effective for annual periods beginning on or after January 1, 2018.

New standard IFRS 9 – “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

New standard IFRS 15 – “Revenue from Contracts with Customers”

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

New standard IFRS 16 – “Leases”

This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

IFRIC 22 – “Foreign Currency Transactions and Advance Consideration”

This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The Company has considered the change and assessed that it will have no material impact on adoption. Effective for annual periods beginning on or after January 1, 2018.

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

PREMIER HEALTH GROUP INC.
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017
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3. BUSINESS ACQUISITION

On June 17, 2016, the Company completed acquisition (99.9%) of Clinicas, a multidisciplinary rehabilitation business located in Santiago, Dominican Republic. The acquisition price was \$1,931,700 (US\$ 1,500,000). The acquisition was financed by convertible promissory note in the amount of US\$ 1,500,000 (*Note 10*).

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		111,496
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)
Impairment of goodwill		1,776,594
Purchase price – fair value	\$	1,931,700

4. CASH

Cash consist of cash held with banks, as well as overdraft facilities at those banks.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31, 2017	December 31, 2016
Trade receivables	\$ 121,140	\$ 139,408
GST receivable	11,217	5,391
Allowance for doubtful account	(93,792)	(100,532)
Receivables from discontinued operations (<i>Note 12</i>)	(27,349)	-
	\$ 11,216	\$ 44,267

An allowance for doubtful accounts of \$93,792 (2016 – \$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.

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6. MARKETABLE SECURITIES

Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired in exchange for 20,000,000 common shares of the Company. MOG shares were under ceased trading order as at December 31, 2017 and 2016, and therefore, the Company has valued the investments in MOG shares at \$1.

On May 9, 2016, the Company acquired 1,000,000 shares of CENTRIC HEALTH CORP. (“CHH”), for 200,000 units of the Company. Each unit consists of one share and one share purchase 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.

During the year ended December 31, 2017, the Company sold 925,000 (2016 – 75,000) shares of CHH shares for total proceeds of \$707,030 (2016 - \$40,981), resulting realized gain of \$475,780 (2016 - \$22,231).

Total Marketable Securities:

	MOG	CHH	Total
<u>Cost</u>			
Balance at December 31, 2015	\$ -	\$ -	\$ -
Additions	400,000	250,000	650,000
Dispositions	-	(18,750)	(18,750)
Balance at December 31, 2016	400,000	231,250	631,250
Dispositions	-	(231,250)	(231,250)
Balance at December 31, 2017	400,000	-	400,000
<u>Adjustments to Fair Value</u>			
Balance at December 31, 2015	-	-	-
Adjustment for the year	(399,999)	305,250	(94,749)
Balance at December 31, 2016	(399,999)	305,250	(94,749)
Adjustment for the year	-	(305,250)	(305,250)
Balance at December 31, 2017	(399,999)	-	(399,999)
<u>Fair Value</u>			
At December 31, 2016	\$ 1	\$ 536,500	\$ 536,501
At December 31, 2017	\$ 1	\$ -	\$ 1

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7. PROPERTY AND EQUIPMENT

	Office furniture	Machinery and equipment	Vehicle	Leasehold improvement	Total
Cost					
Balance at December 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	10,487	51,765	26,713	12,128	101,093
Balance at December 31, 2016	10,487	51,765	26,713	12,128	101,093
Additions	-	598	-	-	598
Balance at December 31, 2017	\$ 10,487	\$ 52,363	\$ 26,713	\$ 12,128	\$ 101,691
Accumulated Amortization					
Balance at December 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	1,419	4,195	3,614	1,309	10,537
Balance at December 31, 2016	1,419	4,195	3,614	1,309	10,537
Amortization	2,188	6,923	5,576	2,577	17,264
Balance at December 31, 2017	\$ 3,607	\$ 11,118	\$ 9,190	\$ 3,886	\$ 27,801
Foreign exchange for the year ended December 31, 2017	\$ (515)	\$ (2,939)	\$ (1,311)	\$ (619)	\$ (5,384)
Amounts from discontinued operations as at December 31, 2017 (Note 12)	\$ (6,363)	\$ (38,306)	\$ (16,212)	\$ (7,623)	\$ (68,506)
Net Book Value					
December 31, 2016	\$ 9,068	\$ 47,570	\$ 23,099	\$ 10,819	\$ 90,556
December 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ -

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	December 31, 2016
Trade payables	\$ 148,751	\$ 152,153
Accrued liabilities	15,000	5,000
Interest payable on convertible debentures (Note 11)	45,425	61,829
Trade payables from discontinued operations (Note 12)	(73,856)	-
	\$ 135,320	\$ 218,982

9. 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 DOP 200,000 (Dominican Pesos) (approximately \$6,000). The revolving loan bears interest at 42%. As at December 31, 2017, the Company owes \$Nil (2016 – \$5,944) on this loan.

The Company entered into several promissory loans with Banco Popular. The loans have a maturity date of July 20, 2019. As at December 31, 2017, the Company owes \$18,343 included as part of the net liabilities from discontinued operations (Note 12) (2016 – \$29,370). The promissory loans are 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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10. CONVERTIBLE DEBENTURE

During the year ended December 2016, the Company issued a convertible debenture to the former sole shareholder of Clinicas, who is also a director of the Company, in order to finance the acquisition. The debenture has a face value of \$1,931,700 (US \$1,500,000) which matures on June 21, 2021 (the “Maturity Date”). The debenture accrues interest at a rate of 8.5% per annum, calculated and paid annually. At the option of the debenture holder, the debenture 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 (calculated using an effective interest rate of 26.6%) will be accreted systematically to its face value over the term of the note by the recording of additional interest expense. \$117,644 accretion, and \$165,572 interest was recorded as expense for the year ended December 31, 2017 (2016 - , accretion and interest of \$130,993).

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:

	December 31, 2017	December 31, 2016
Management fees to the CFO	\$ 66,000	\$ 27,500
Consulting fees to the CFO	145,000	-
Administration fees paid to a company owned by the CFO	6,000	5,500
Rent paid to a company owned by the CFO	6,750	5,500
Accretion and interest expense on convertible debenture to the CEO (<i>Note 10</i>)	283,216	130,993
Consulting fees to the CEO, included in loss from discontinued operations (<i>Note 12</i>)	15,806	9,487

As at December 31, 2017, the Company had \$179,142 (2016 - \$43,797) due from the CFO and a company owned by the CFO. The CFO is also a director of the Company. This amount will be repaid to the Company, commencing April 1, 2018 at \$5,000 per month; with the entire amount to be paid by October 1, 2019. Interest of 6.5% will be accrued. As a result, as at December 31, 2017, \$45,000 (2016 - \$43,797) has been recorded as a current asset, with the remaining \$134,142 (2016 - \$Nil) recorded as a long-term asset.

During the year ended December 31, 2017, the Company issued 200,000 common shares with a fair value of \$200,000 to settle related party debt of \$200,000. This debt resulted from the interest payable to the CEO on the convertible debenture, and was purchased by certain shareholders of the Company, and then settled for shares. (*Note 10*).

As at December 31, 2017, the Company has a convertible debenture valued at \$1,189,180 (2016 - \$1,156,908) to the CEO, who is also a director and significant shareholder of the Company. As at December 31, 2017 \$45,425 (2016 - \$61,829) of accrued interest on this debenture is included in accounts payable and accrued liabilities. During the year ended December 31, 2017, \$117,644 of accretion expense, and \$165,572 of interest expense, for a total of \$283,216 was recorded as accretion and interest expense (2016 - \$130,993). (*Note 10*).

As at December 31, 2017, the Company had \$51,267 owing to the CEO, who is also a director and significant shareholder of the Company (the former sole shareholder of Clinicas) (2016 - \$22,145). This amount is included in the net liabilities from discontinued operations as at December 31, 2017.

11. RELATED PARTY TRANSACTIONS (continued...)

As December 31, 2017, the Company had \$220,000 (2016 - \$Nil) receivable from a company partially owned by the CFO of the Company. As at December 31, 2017, this note had no terms of repayment. Subsequent to December 31, 2017, this note was converted into a convertible promissory note, with accrued interest of 6.5% per annum, payable on April 1, 2019. The Company has the right to convert this promissory note at any time at \$0.25 per share.

12. DISCONTINUED OPERATIONS

Subsequent to December 31, 2017, the Company entered into a share purchase agreement (the "Purchase Agreement") with the Company's CEO, who is also the former sole shareholder of Clinicas (the "Purchaser"). The Purchase Agreement was entered into as a prerequisite to entering into an acquisition agreement that may result in a change of control of the Company. The terms of the Purchase Agreement are as follows:

- The Company will transfer 51% of the shares of Clinicas to the Purchaser immediately on the closing date, and transfer the remaining 49% of the shares of Clinicas of when the Company has a satisfactory replacement assets in place to satisfy corporate law requirement to maintain a business undertaking at all time, as well as continue to qualify for Listing on the Canadian Securities Exchange. See Note 18 for potential acquisition and change of control.
- The Purchaser will forgive the convertible debenture of US \$1,500,000 and all accrued interest proportionally to the shares of Clinicas transferred (*Note 10*).

This Purchase Agreement constitutes a discontinued operation involving the loss of control of Clinicas by the Company as at December 31, 2017. As a result, all of the assets and liabilities of Clinicas have been classified as held-for-sale as at December 31, 2017. This resulted in a net liability of \$45,453 from discontinued operation as at December 31, 2017.

The revenues and expenses of Clinicas have been determined to be a discontinued operation by the Company, and as a result, have been disclosed separately on the statement loss and comprehensive loss.

Revenues and expenses from Clinicas are as follows:

	December 31, 2017	December 31, 2016
REVENUE	\$ 295,364	\$ 169,405
EXPENSES		
Advertising	12,909	10,409
Amortization (<i>Note 7</i>)	17,264	10,537
Bad debts expense	-	100,532
Bank charges an interest	19,124	12,567
Consulting fees (<i>Note 11</i>)	15,806	9,487
Insurance	6,338	993
Office and Administration	47,706	20,846
Professional fees	19,548	11,952
Rent	57,257	36,587
Repair and maintenance	14,534	8,855
Wages and related expenses	158,593	81,024
Other expenses	-	26,915
Loss from discontinued operations	\$ (73,715)	\$ (161,299)

13. SHARE CAPITAL

- a) Authorized: unlimited common shares without par value
- b) Issued and Outstanding:

During the year ended December 31, 2017:

On September 20, 2017, the Company issued 200,000 common shares at a price of \$1 per share for debt settlement of \$200,000 (US \$145,520). The debt settled was a portion of the interest accrued on the convertible note (*Notes 10, 11*).

On September 20, 2017, the Company issued 7,000 common shares at a price of \$1 per share to the CFO of the Company, for cash.

During the year ended December 31, 2016:

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 (*Note 1*).

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 following is a summary of warrant activities during the years ended December 31, 2016 and 2017:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2015	-	\$ -
Issued	333,333	\$ 1.50
Outstanding, December 31, 2016 and 2017	333,333	\$ 1.50

As at December 31, 2017, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
333,333	\$1.50	0.35	May 9, 2018 (subsequently expired)

13. SHARE CAPITAL *(continued...)*

d) Escrow shares

As at December 31, 2017, the Company has 19,080,000 (2016 – 21,200,000) common shares held in escrow.

Escrow shares will be released as follows:

- 3,180,000 shares on May 28, 2018 and the same amount released each six months thereafter until the last 3,180,000 are released on May 17, 2020.

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, 2017, no options were outstanding.

14. CAPITAL MANAGEMENT

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 (deficiency) 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 externally imposed capital requirements. There were no changes to the Company's approach in its management of capital during the year.

15. FINANCIAL INSTRUMENTS

The Company's financial instrument consist of cash, accounts receivable, accounts payable, amounts due from and to related parties, notes receivable, loans payable, net liabilities from discontinued operations and the convertible debenture.

The Company's cash and marketable securities are measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The Company's accounts receivable, accounts payable, amounts due and from related parties, note receivable and loans payable have amortized costs that approximate their fair value due to their short terms to maturity. The net liabilities from discontinued operations are recorded at fair value due to their short-term to maturity. The Company's other financial instruments, being the convertible debenture, is measured at amortized cost.

15. FINANCIAL INSTRUMENTS *(continued...)*

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

Credit Risk

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, 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

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, 2017, the Company did not have sufficient cash on hand to meet its current liabilities, and will need to source different methods of financing.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

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 insignificant.

b) Currency risk

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 US Dollars. A change in foreign currency exchange rates can have an impact on net income and comprehensive income. As a result, the Company is exposed to foreign exchange rate risk with respects to the US Dollar and the Dominican Peso. As at December 31, 2017, the Company had net financial liabilities denominated in foreign currencies of approximately \$1,235,000. A 10% change in the value of the Dominican Peso versus the Canadian dollar would give rise to a gain or loss of approximately \$4,500, and a 10% change in the value of the US Dollar versus the Canadian dollar would give rise to a gain or loss of approximately \$119,000. The Company has not entered into any foreign exchange contracts to hedge this risk.

c) Price risk

The Company is exposed to price risk with respect to equity prices, since the Company possesses investments in publicly traded securities. The Company closely monitors those prices to determine the appropriate course of action to be taken. The maximum exposure to the Company is the fair value of its marketable securities, which have been recorded at \$1.

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16. SEGMENTED INFORMATION

The Company operates in one industry, the healthcare industry, which is located in Canada and the Dominican Republic. Segmented geographical information is as follows:

	Canada	Dominican Republic	Total
Assets			
As at December 31, 2017	\$ 410,810	\$ -	\$ 410,810
As at December 31, 2016	\$ 600,899	\$ 157,907	\$ 758,806
Revenue for the year ended (Note 12):			
December 31, 2017	\$ -	\$ 295,364	\$ 295,364
December 31, 2016	\$ -	\$ 169,405	\$ 169,405
Net loss for the year ended:			
December 31, 2017	\$ (113,805)	\$ (73,715)	\$ (187,520)
December 31, 2016	\$ (2,143,902)	\$ (161,299)	\$ (2,305,201)

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17. INCOME TAX

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

	2017	2016
Net loss for the year	\$ (187,520)	\$ (2,305,201)
Computed income tax recovery at statutory rate of 26% (2016 – 26%)	(48,755)	(599,352)
Effect of taxes in foreign jurisdiction, and other	(108,217)	(1,614)
Permanent differences	(79,598)	526,658
Adjustments to prior year provision versus statutory tax return	(201,446)	-
Change in unrecognized deductible temporary differences	438,016	74,308
	\$ -	\$ -

The significant components of the Company's deferred income tax assets, which have not been recognized are as follows:

	2017	2016
Deferred income tax assets (liabilities):		
Debt with accretion	\$ 193,000	\$ -
Non-capital losses carried forward	238,000	84,667
Marketable securities	52,000	(39,683)
Total unrecognized deferred income tax assets	\$ 483,000	\$ 44,984

As at December 31, 2017, the Company had approximately \$914,000 in non-capital losses which expire between 2021 and 2038.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. SUBSEQUENT EVENTS

Subsequent to year end, the Company announced an agreement to return 51% of its subsidiary, Clinicas in the Dominican Republic to Brenda Rasmussen, Director and CEO of the Company, in consideration for a proportionate reduction in the convertible debenture held by Ms. Rasmussen issued on the original purchase of 99.9% of Clinicas (*Note 12*).

On May 4, 2018 the Company announced it had proposed a letter of intent to acquire HealthVue Ventures Ltd. (“HealthVue”) for \$1,000,000 in cash and \$3,000,000 in common shares of the Company, resulting in Healthvue shareholders receiving 12,000,000 common shares of the Company, with 10,800,000 of the shares being subject to voluntary escrow and released on certain dates to be determined. Closing of the transaction is subject to the execution of definitive documentation and all required Board and regulatory approvals.

The Company also announced on May 4, 2018 that it intends to raise a minimum of \$3,500,000 million by private placement in consideration of 14,000,000 units of the Company at a price of \$0.25 per unit, with each unit consisting of one common share and one-half of one transferable share purchase warrant. Each full warrant will be exercisable for a period of 12 months from closing at a price of \$0.50.

On May 8, 2018 the Company was subject to a cease trade order by the BC Securities Commission for failure to file the annual audited statement for the year ended December 31, 2017. The Transactions announced in the week prior to the cease trade order may not proceed until the cease trade order is rescinded.

19. AMENDED AND RESTATED

These consolidated financial statements have been amended and restated to reclassify a portion of the amounts due from related parties from a current asset to a long-term asset as at December 31, 2017. As a result of the reclassification, the Company’s working capital deficit changed from \$1,179,143 to \$1,313,285. In addition, Note 11 was revised to include the amount of accretion and interest expense on the convertible note, which was previously disclosed in Note 10. The impact of these changes did not have any impact on the comparative balances.