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CT Developers Ltd.  
Financial Statements  
June 30, 2018 and 2017  
(Expressed in Canadian dollars)

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## Independent Auditor's Report

To the Shareholders of CT Developers Ltd.

We have audited the accompanying financial statements of CT Developers Ltd., which comprise the statements of financial position as at June 30, 2018 and June 30, 2017, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years ended June 30, 2018 and June 30, 2017, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CT Developers Ltd. as at June 30, 2018 and June 30, 2017, and its financial performance and its cash flows for the years ended June 30, 2018 and June 30, 2017 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about CT Developers Ltd.'s ability to continue as a going concern.

Vancouver, B.C.  
October 19, 2018

*"D&H Group LLP"*

Chartered Professional Accountants

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# CT Developers Ltd.

## Statements of Financial Position

(Expressed in Canadian dollars)

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	June 30, 2018 \$	June 30, 2017 \$
<hr/>		
<b>Asset</b>		
Current asset		
Cash (Note 7)	73,235	18,026
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<b>Liabilities</b>		
Current liabilities		
Amounts payable and accrued liabilities	<u>34,620</u>	<u>5,623</u>
<b>Shareholders' equity</b>		
Common shares (Note 3)	832,039	736,909
Share-based payments reserve (Note 4)	100,713	79,183
Retained earnings (deficit)	<u>(894,137)</u>	<u>(803,689)</u>
	<u>38,615</u>	<u>12,403</u>
	73,235	18,026
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*The accompanying notes are an integral part of these financial statements.*

Nature of operations (Note 1)

Event after the reporting period (Note 10)

These financial statements were approved for issue by the Board of Directors on October 19, 2018 and are signed on its behalf by:

Approved by the Board           "Norman Eyolfson"          , Director           "Richard Buzbuzian"          , Director

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# CT Developers Ltd.

## Statements of Loss and Comprehensive Loss

Years ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

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	2018	2017
	\$	\$
Expenses		
Bank charges	255	107
Legal and accounting fees	52,810	32,337
Office	-	615
Regulatory fees	4,238	7,065
Share-based compensation (Notes 4 and 9)	21,530	-
Transfer agent	<u>11,615</u>	<u>7,383</u>
Net and comprehensive income (loss) for the year	(90,448)	(47,507)
Retained earnings (deficit), beginning of year	<u>(803,689)</u>	<u>(756,182)</u>
Retained earnings (deficit), end of year	(894,137)	(803,689)
Net income (loss) per share, basic and diluted	(0.02)	(0.01)
Weighted average number of common shares outstanding	5,458,446	4,827,500

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

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# CT Developers Ltd.

## Statements of Changes in Equity

Years ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

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	Common shares		Share-based payments reserve \$	Retained earnings (deficit) \$	Total equity \$
	Number of shares	Amount \$			
Balance at June 30, 2016	4,827,500	736,909	79,183	(756,182)	59,910
Net income (loss) for the year	-	-	-	(47,507)	(47,507)
Balance at June 30, 2017	4,827,500	736,909	79,183	(803,689)	12,403
Private placements	630,946	119,880	-	-	119,880
Share issue costs	-	(24,750)	-	-	(24,750)
Share-based payments	-	-	21,530	-	21,530
Net income (loss) for the year	-	-	-	(90,448)	(90,448)
Balance at June 30, 2018	5,458,446	832,039	100,713	(894,137)	38,615

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

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# CT Developers Ltd.

## Statements of Cash Flows

Years ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

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	2018	2017
	\$	\$
Cash flows from (used in) operating activities		
Net income (loss) for the year	(90,448)	(47,507)
Item not affecting cash		
Share-based compensation	21,530	-
Changes in non-cash working capital		
Decrease in amounts receivable	-	4,528
Increase (decrease) in amounts payable and accrued liabilities	<u>28,997</u>	<u>(3,216)</u>
	<u>(39,921)</u>	<u>(46,195)</u>
Cash flows from financing activities		
Issue of common shares	119,880	-
Share issue costs paid	<u>(24,750)</u>	<u>-</u>
	<u>95,130</u>	<u>-</u>
Increase (decrease) in cash during the year	55,209	(46,195)
Cash, beginning of year	<u>18,026</u>	<u>64,221</u>
Cash, end of year	<u>73,235</u>	<u>18,026</u>

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

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 1. Nature of operations

CT Developers Ltd. (the "Company") was incorporated under the *Canada Business Corporations Act* (Canada) on April 1, 2011. On November 17, 2011 the Company completed its initial public offering and on November 23, 2011 the Company listed its common shares on the TSX Venture Exchange ("TSXV") as a capital pool company. On November 26, 2013 trading of the Company's common shares on the TSXV was suspended for failure to complete a Qualifying Transaction within the prescribed time. Effective August 19, 2014 the Company's common share listing was transferred to the NEX Board of the TSXV. Upon transition, the Company's trading symbol was changed from DEV.P to DEV.H. The head office of the Company is located at 1 - 1764 Rathburn Road East, Mississauga, Ontario, Canada, L4W 2NB.

As at June 30, 2018, the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2018, the Company has working capital of \$ 38,615, incurred accumulated losses amounting to \$ 894,137, has not completed a Qualifying Transaction, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

### 2. Summary of significant accounting policies

#### Statement of compliance

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

#### Basis of measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

#### Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period from which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share based payments reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

§ Exercise price	§ Expected life of the award
§ Expected volatility	§ Current market price of the underlying shares
§ Risk-free interest rate	§ Expected forfeitures

#### Financial instruments

##### *Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

##### *Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Amounts payable and accrued liabilities are classified as other financial liabilities.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss).

#### Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

#### Equity financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted a residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

#### Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

#### Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

#### Critical judgments and sources of estimation uncertainty

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

#### *Critical judgments*

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### *Estimation uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### Loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

#### New IFRS standards not yet adopted

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for its annual period beginning after July 1, 2018. These include:

*IFRS 9 - Financial instruments.* IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for the Company's accounting period beginning on January 1, 2018. Earlier adoption is permitted. Management is currently assessing the effect of this new standard on the Company's accounting policies and financial statement presentation.

### 3. Capital and reserves

At June 30, 2018, the Company's authorized share capital consisted of an unlimited number of common shares without par value.

During the period ended June 30, 2018, the Company issued 630,946 units under a private placement at a price of \$ 0.19 per share for proceeds of \$ 119,880. Share issue costs of \$ 24,750 were incurred, including a finder's fee of \$ 4,750. Each unit comprised one common share and one warrant. Each warrant allows the holder to purchase one common share for \$ 0.25 per common share until May 1, 2019.

As at June 30, 2018, 1,000,000 common shares were held in escrow. The escrow shares will be released over a thirty-six month period commencing upon completion of a Qualifying Transaction and may not be transferred, assigned, or otherwise dealt without the consent of the securities regulatory authorities.

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# CT Developers Ltd.

## Notes to the Financial Statements

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### 4. Share-based compensation

The Company has adopted a share option plan (the "Plan"), under which stock options may be awarded to directors, officers, employees and consultants at the discretion of the Board of Directors. The maximum number of share options that may be issued under the Plan shall be 10% of the issued and outstanding common shares of the Company on the date of grant. Share options awarded under the Plan may be exercisable for up to ten years at exercise prices determined by the Board of Directors at the time of award. The exercise prices shall not be less than market value.

A summary of the Company's share options at June 30, 2018 and 2017, and the changes for the years ended on those dates, is as follows:

		2018 \$		2017 \$
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Balance, beginning of year	-	-	450,000	0.22
Expired	-	-	(450,000)	0.22
Awarded	<u>480,000</u>	0.06	<u>-</u>	-
Balance, end of year	480,000	0.06	-	-

The following is a summary of share options outstanding and exercisable at June 30, 2018:

Expiry date	Number of options	Exercise price \$
October 23, 2022	480,000	0.06

The fair value of share options awarded to directors and share purchase warrants issued were estimated on the dates of issue using the Black-Scholes option price model with the following assumptions:

	2018
Risk-free interest rate	1.73%
Expected volatility	100%
Expected lives	5 years
Estimated forfeiture rate	-

The average fair value of share options awarded during the year ended June 30, 2018 was \$ 0.045.

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option pricing models require the use of estimates and assumptions, including expected volatility rates. The Company uses expected volatility rates which are based upon historical experience. Changes in the underlying assumptions used on the Black-Scholes option pricing model could materially affect the fair value estimates.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 5. Financial instruments

#### Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	June 30, 2018 \$	June 30, 2017 \$
Cash	FVTPL	73,235	18,026
Accounts payable and accrued liabilities	Other financial liabilities	34,620	5,623

#### Fair value

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- § Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- § Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- § Level 3 - applies to assets or liabilities for which there are unobservable market data.

The carrying value of amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

#### Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company's credit risk is primarily attributable to cash. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

### 6. Capital risk management

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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### 6. Capital risk management - continued

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of 90 days or less from the date of acquisition.

### 7. Cash restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company, as defined under policy 2.4 of the Exchange.

### 8. Income taxes

The provision for income taxes differs from the amount that would have been obtained by applying the statutory income tax rate of 26.5% (2017 - 26%) to the Company's net loss. The difference results from the following items:

	2018 \$	2017 \$
Expected income tax expense (recovery)	(24,000)	(12,300)
Unrecognized benefit of loss carryforwards	<u>24,000</u>	<u>12,300</u>
Provision for income taxes (recovery)	-	-

The income tax effects of temporary differences that give rise to significant components of deferred income tax assets and liabilities are as follows:

	2018 \$	2017 \$
<i>Deferred income tax assets</i>		
Non-capital loss carry-forwards	231,000	198,000
Valuation allowance	<u>(231,000)</u>	<u>(198,000)</u>
	-	-

The Company has non-capital losses for income tax purposes of approximately \$ 875,000 (2017 - \$ 760,000) available to reduce future years' taxable income. The benefit of these non-capital losses has not been recognized in the Company's accounts as it is not probable such benefit will be realized. The non-capital losses expire between the 2031 and 2038 fiscal years.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian dollars)

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9. Related party disclosure

During the year ended June 30, 2018, the Company awarded 480,000 share options to directors. The share options were accounted for at their estimated fair value of \$ 21,530.

10. Event after the reporting period

On August 29, 2018, the Company announced that it has entered into a definitive acquisition agreement dated August 21, 2018 for the acquisition of Clinical Blockchain Data Sciences Inc. ("CBDS Health"), a private corporation, by way of a share exchange with the shareholders of CBDS Health.

Upon completion of the transaction, the business of CBDS Health would become the business of the Company. Completion of the transaction is subject to satisfaction or waiver of a number of conditions and approval of the TSX Venture Exchange. There can be no assurance that the transaction will be completed as proposed or at all.

This transaction is planned to constitute the Company's Qualifying Transaction under Exchange Policy 2.4.