

## **VitalHub Corp.**

(formerly Quinsam Opportunities I Inc.)

Interim Condensed Financial Statements  
(Unaudited)

For the Three and Nine Months Ended  
September 30, 2017 and 2016

## **NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of VitalHub Corp. have been prepared by and are the responsibility of management. VitalHub Corp.'s independent auditor has not performed a review of these interim condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed financial statements by an entity's auditor.

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Interim Condensed Statements of Financial Position

(Unaudited)

(in Canadian Dollars)

As at	September 30 2017 \$	December 31 2016 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	2,194,198	1,143,370
Restricted cash (Note 4)	35,000	-
Financing proceeds held in escrow (Note 5)	1,000,000	-
Receivables - trade and other (Note 6)	370,556	591,256
Prepaid expenses	131,102	19,764
	3,730,856	1,754,390
<b>Non-current assets</b>		
Property and equipment	4,618	364
	3,735,474	1,754,754
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7 & 8)	968,760	531,678
Payable to investors (Note 4)	35,000	-
Promissory note (Note 8 & 9)	29,648	24,580
Deferred revenue	420,063	323,333
	1,453,471	879,591
<b>Non-current liabilities</b>		
Promissory note (Note 8 & 9)	2,184	21,441
Deferred revenue	125,000	274,132
	1,580,655	1,175,164
<b>Shareholders' Equity</b>		
Share capital (Note 10)	4,582,992	2,679,609
Share-based payment reserve (Note 10(c))	229,932	142,733
Warrants reserve (Note 10(d))	1,175,250	234,326
Deficit	(3,833,355)	(2,477,078)
	2,154,819	579,590
	3,735,474	1,754,754
Going Concern (Note 1)		
Subsequent Events (Note 13)		

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

**Approved by the Board of Directors**

Dan Matlow

Director

Barry Tissenbaum

Director

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Interim Condensed Statements of Operations and Comprehensive Loss

(Unaudited)

(in Canadian Dollars)

	Three months 2017	Three months 2016	Nine months 2017	Nine months 2016
For the three and nine months ended September 30,	\$	\$	\$	\$
<b>Revenues</b>				
Term licences, maintenance and support	129,874	115,206	381,902	332,806
Services and other	30,000	20,000	42,500	33,000
	<u>159,874</u>	<u>135,206</u>	<u>424,402</u>	<u>365,806</u>
<b>Cost of sales</b>	<u>25,500</u>	<u>10,000</u>	<u>37,000</u>	<u>16,500</u>
<b>Gross profit</b>	<u>134,374</u>	<u>125,206</u>	<u>387,402</u>	<u>349,306</u>
<b>Operating expenses</b>				
Selling, marketing and administrative (Note 10(c))	507,743	97,766	1,110,618	409,986
Research and development (Note 10(c))	190,111	23,974	643,339	387,371
Foreign currency loss (gain)	-	-	1,172	(1,404)
	<u>697,854</u>	<u>121,740</u>	<u>1,755,129</u>	<u>795,953</u>
<b>(Loss) income from operations</b>	<u>(563,480)</u>	<u>3,466</u>	<u>(1,367,727)</u>	<u>(446,647)</u>
<b>Financing (expenses)</b>				
Interest expense	<u>(6)</u>	<u>(78)</u>	<u>(764)</u>	<u>(231,261)</u>
<b>Net (loss) income and comprehensive (loss) income for the period</b>	<u>(563,486)</u>	<u>3,388</u>	<u>(1,368,491)</u>	<u>(677,908)</u>
Basic and diluted (loss) income per share (Note 11)	(0.014)	0.000	(0.037)	(0.051)
<b>Weighted average number of shares outstanding</b>				
Basic (Note 11)	41,110,405	13,400,016	36,693,767	13,400,016
Diluted (Note 11)	41,110,405	15,894,107	36,693,767	13,400,016

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

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Interim Condensed Statements of Changes in Equity

(Unaudited)

(in Canadian Dollars)

### For the nine months ended September 30, 2017

	Share capital		Share-based payment reserve	Warrants reserve	Deficit	Shareholders' equity
	Number #	Amount \$				
<b>Balance - January 1, 2016</b>	13,400,016	900,000	-	-	(7,418,474)	(6,518,474)
Options issued (Note 10(c))	-	-	250,000	-	-	250,000
Settlement of debt and debentures (note 8)	-	-	-	-	6,351,433	6,351,433
Net loss for the period	-	-	-	-	(677,908)	(677,908)
<b>Balance - September 30, 2016</b>	13,400,016	900,000	250,000	-	(1,744,949)	(594,949)
Acquisition of Quinsam Opportunities I Inc.	9,000,000	820,958	53,082	12,214	-	886,254
Non-Brokered Private placement	3,153,358	264,343	-	51,035	-	315,378
Concurrent financing	8,392,500	644,522	-	171,077	-	815,599
Options exercised (Note 10(c))	478,571	49,786	(45,000)	-	-	4,786
Stock based compensation voluntary cancellation (Note 10(c))	-	-	(115,349)	-	-	(115,349)
Net loss for the period	-	-	-	-	(732,129)	(732,129)
<b>Balance - December 31, 2016</b>	34,424,445	2,679,609	142,733	234,326	(2,477,078)	579,590
Brokered private placement (Note 10(b))	32,726,015	1,903,383	-	953,138	-	2,856,521
Stock based compensation (Note 10(c))	-	-	87,199	-	-	87,199
Expiry of warrants (Note 10(d))	-	-	-	(12,214)	12,214	-
Net loss for the period	-	-	-	-	(1,368,491)	(1,368,491)
<b>Balance - September 30, 2017</b>	67,150,460	4,582,992	229,932	1,175,250	(3,833,355)	2,154,819

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

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Interim Condensed Statements of Cash Flow

(Unaudited)

(in Canadian Dollars)

	2017	2016
For the nine months ended September 30,	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(1,368,491)	(677,908)
Items not affecting cash		
Depreciation	1,468	3,633
Interest expenses	-	231,183
Stock based compensation	87,199	250,000
Net change in non-cash working capital (Note 12)	(470,958)	(334,870)
Cash (used in) operating activities	(1,750,782)	(527,962)
<b>Investing activities</b>		
Purchase of property and equipment	(5,722)	-
Cash (used in) investing activities	(5,722)	-
<b>Financing activities</b>		
Proceeds from loan	-	702,213
Principal payments on promissory note	(14,189)	-
Proceeds from brokered private placement - net	2,856,521	-
Cash provided by financing activities	2,842,332	702,213
<b>Increase in cash during the period</b>	<b>1,085,828</b>	<b>174,251</b>
<b>Cash - Beginning of period</b>	<b>1,143,370</b>	<b>52,937</b>
<b>Cash - End of period</b>	<b>2,229,198</b>	<b>227,188</b>
<b>Represented by</b>		
Cash	2,194,198	(22,812)
Restricted cash	35,000	250,000
	2,229,198	227,188
<b>Supplemental disclosures</b>		
Interest paid	764	78
Settlement of debt and debentures	-	6,351,433

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

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 1 Description of business and going concern

VitalHub Corp. (the “Company”) provides mobile healthcare solutions that allow clinicians to access comprehensive and relevant information about their patients. The Company gathers patient information from multiple disparate electronic medical record systems, aggregates and organizes the data, and presents it to the clinician in an integrated, user friendly interface. The Company’s shares trade on the TSXV Venture exchange under the symbol “VHI”. The Company is incorporated and domiciled in Canada. The address of its registered office is 44 Victoria Street, Suite 1417, Toronto, Ontario.

These unaudited interim condensed financial statements have been prepared on the going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

To date, the Company has not yet achieved profitable operations and has an accumulated deficit of \$3,833,355 (December 31, 2016 - \$2,477,078). The ability of the Company to continue as a going concern is dependant on the successful execution of management’s business plan, which involves increasing revenues through market penetration and acquisitions of software companies focused in the Healthcare IT area, securing additional equity financing to fund planned acquisitions as well as for working capital and general corporate purposes, all of which cast significant doubt upon the Company’s ability to continue as a going concern.

During the period ended September 30, 2017, the Company raised gross proceeds of \$3,177,930 from a brokered private placement and subsequent to the period completed the planned acquisition of B Sharp Technologies Inc. (“B Sharp Technologies”) (note 12(b)). The Company completed a debt for securities transaction for \$58,832 subsequent to the period (note 12(a)), in addition to raising an additional \$85,000 from a non-brokered private placement subsequent to the period (note 12(c)). Management anticipates that the Company will continue to raise sufficient funds and increase revenues through organic growth and further acquisitions to meet its working capital and general corporate obligations. While the Company has been successful in raising financing, and completing its planned acquisition, there can be no assurance that the Company will continue to be successful in achieving these plans.

These unaudited interim condensed financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

# **VitalHub Corp.**

(formerly Quinsam Opportunities I Inc.)

## **Notes to the Interim Condensed Financial Statements**

(Unaudited)

**For the three and nine months ended September 30, 2017**

(in Canadian Dollars)

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### **2 Basis of Presentation**

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as set out in the Handbook of Canadian Professional Accountants Canada (“CPA Canada Handbook”). These unaudited interim financial statements are presented in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The disclosures contained in these unaudited interim financial statements do not contain all requirements of Canadian GAAP for annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2016. These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the audited financial statements for the year ended December 31, 2016.

The accounting policies applied in these unaudited interim condensed financial statements are consistent with those disclosed in Note 4 to the annual financial statements for the year ended December 31, 2016.

### **3 Significant accounting judgments and estimation uncertainties**

The preparation of financial statements requires management to use judgment, estimates and assumptions in applying its accounting policies and in determining the amounts reported in the unaudited interim condensed financial statements. Estimates and other judgments are continuously evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The accounting policies, significant accounting judgments and estimations used in the preparation of these unaudited interim condensed financial statements were the same as those used in preparing the audited financial statements for the year ended December 31, 2016.

### **4 Restricted cash and payable to investors**

During the period ended September 30, 2017, gross proceeds of \$35,000 (2016 - \$250,000) were received under a private placement offering. The funds have been presented as restricted cash and payable to investors as the units were not issued until subsequent to the period (note 13(c)).

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 5 Financing proceeds held in escrow

On closing of the brokered private placement offering (note 10(b)), \$1,000,000 of the net proceeds were placed in escrow pursuant to an escrow agreement. The escrowed funds will only be released to the Company on the earlier of: (i) the closing of the acquisition of B Sharp Technologies, (ii) the acquisition by the Company of all the securities of H.I. Next Inc; or (iii) October 31, 2017. The funds were subsequently received following the completion of the acquisition of B Sharp Technologies (note 13(b)).

### 6 Receivables – trade and other

	September 30 2017 \$	December 31 2016 \$
Trade receivable	120,400	56,500
Other receivable	25,916	25,916
SR&ED recoverable (note 8(a))	224,240	508,840
	<hr/>	<hr/>
	370,556	591,256
	<hr/>	<hr/>

### 7 Accounts payable and accrued liabilities

	September 30 2017 \$	December 31 2016 \$
Trade accounts payable and accrued liabilities	588,640	100,092
Accrued payroll and related compensation	18,584	68,381
Accrued professional fees	189,627	152,497
Government remittances	20,747	56,179
SR&ED payable (note 8(a))	109,162	154,529
Royalty payable (note 8(c))	42,000	-
	<hr/>	<hr/>
	968,760	531,678
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# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 8 Share purchase agreement

On May 2, 2016 all of the outstanding shares of VitalHub were purchased by 2514987 Ontario Inc., an arm's length corporation incorporated in the Province of Ontario (the "Corporation"). In addition, the Corporation purchased one-hundred percent (100%) of the Company's outstanding indebtedness to the two primary shareholders (the "Creditors") in exchange for:

- a) 25% of the amount net of expenses to be paid to VitalHub under a Scientific Research and Experimental Development ("SR&ED") tax incentive claim. The total SR&ED claim submitted to date is \$224,240 (December 31, 2016 - \$508,840) and has been recognized within trade receivables and other; accordingly, VitalHub has accrued \$109,162 (December 31, 2016 - \$154,529) in accounts payable and accrued liabilities which will be payable to the Creditors upon collection. The change from 2016 to 2017 represents a 2014 SR&ED claim disallowed after an audit from the Canada Revenue Agency, management is of the opinion that the claim is valid and intends to appeal the audit decision.
- b) The full amount of any GST/HST refund which may be paid to or claimed as an input credit by VitalHub. The Company has not recognized an eligible HST claim/asset and accordingly; no liability has been recognized.
- c) Royalty streams to be paid to the Creditors are as follows:
  - i. 0% of the Net Revenue received by VitalHub pursuant to the agreement with Provincial Health Services Association ("BC Agreement") during the period commencing January 1, 2016 and ending December 31, 2016;
  - ii. 17.5% of the Net Revenue received by VitalHub pursuant to the BC Agreement during the period commencing January 1, 2017 and ending December 31, 2019, with such amount being payable within ninety (90) days following December 31, 2019;
  - iii. 12.5% of the Net Revenue received by VitalHub pursuant to the BC Agreement during the period commencing January 1, 2020 and ending December 31, 2021, with such amount being payable within ninety (90) days following December 31, 2021;
  - iv. 6.5% of the Net Revenue received by VitalHub other than pursuant to the BC Agreement during the four year period commencing on May 2, 2016, with such amounts being payable in four installments annually.

The Company did not earn the applicable Net Revenues during the period commencing May 2, 2016 to December 31, 2016. During the period January 1, 2017 to September 30, 2017, the Company earned \$240,000 of Net Revenues pursuant to the BC agreement and accordingly the Company has accrued \$42,000 of royalties in accounts payable and accrued liabilities.

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 8 Share purchase agreement (continued)

As a result of the transaction on May 2, 2016, \$6,531,433, of the Company's debt, convertible debentures, and accrued interest thereon was extinguished and \$50,000 was left as a promissory note (Note 8). The extinguishment of the debt was recorded as a capital transaction in the unaudited interim condensed statements of changes in equity.

### 9 Promissory note

	September 30 2017 \$	December 31 2016 \$
<b>Promissory note</b>		
H Chow	31,832	46,021
Less: Current portion	29,648	24,580
	<hr/>	<hr/>
Non-current portion	2,184	21,441
	<hr/>	<hr/>
Future principal repayments are as follows:		
	2017	24,580
	2018	21,441
	<hr/>	<hr/>
	31,832	46,021
	<hr/>	<hr/>

The promissory note due to Henry Chow, bears interest at 5% per annum and is due October 3, 2018. The promissory note is repayable in 24 monthly instalments of principal and interest of \$2,193.57 beginning November 3, 2016 (see note 13(a)(i)).

The principal amount and unpaid interest shall become immediately due and payable upon (i) the Company ceasing to conduct business in all material respects; (ii) the Company taking steps to dissolve, wind-up or transfer all or substantially all of the shares or assets of the Company; (iii) the application for the appointment of a receiver or receiver manager or any part of the property of the Company or (iv) the commencement by or against the Company of any proceeding under any bankruptcy, arrangement, insolvency or similar law for the relief or otherwise affecting creditors of the Company.

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 9 Promissory note (continued)

If the Company's outstanding claim with the Scientific Research and Experimental Development Tax Incentive Program ("SRED claim") is approved and funded to the Company prior to the twenty-fourth monthly payment, then an amount equal to the SRED claim after deductions for all costs associated with the SRED claim and any common law severances then owing or paid by the Company, shall be immediately applied to the principal amount then outstanding hereunder in inverse order of maturity and the payment of interest shall be reduced accordingly.

### 10 Share capital

#### a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

#### b) Issued share capital

On September 12, 2017, the Company completed a brokered private placement financing under which 31,779,300 units were issued at \$0.10 per unit for total gross proceeds of \$3,177,930. Each unit comprises one common share and one warrant. Each warrant grants the right to acquire an additional common share at a price of \$0.18 per share for up to two years, subject to adjustment in certain events, and subject to the Company's right to accelerate expiry of the warrants if, beginning on January 13, 2018, the closing trading price of the common shares on the TSX Venture Exchange equals or exceeds \$0.30 for any 20 consecutive trading days. All securities issued in connection with the brokered private placement, which include certain insider participation, are subject to a four month hold period expiring January 13, 2018.

The 31,779,300 warrants were valued using the Black-Scholes option pricing model using the following assumptions:

Share price	\$	0.130
Exercise price	\$	0.180
Expected life in years		2
Volatility		100%
Dividend yield		0%
Risk-free rate		1%
Call value	\$	0.058

# VitalHub Corp.

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## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 10 Share capital (continued)

#### b) Issued share capital (continued)

The Company retained Echelon Wealth Partners Inc. and Paradigm Capital Inc., as co-lead agents, along with a syndicate of agents that included Canaccord Genuity Corp. and Industrial Alliance Securities Inc. The Company paid the agents fees and cash commissions of \$167,043 and issued 946,715 units, each unit comprises one common share and one commission warrant under the same terms as described above. The agents also received 1,687,225 non-transferable compensation warrants valued at \$97,995. Each compensation warrant entitles the holder to purchase one common share at a price of \$0.18 per share, under the same terms as described above.

The 946,715 commission warrants, and 1,687,255 compensation warrants were valued using the Black-Scholes option pricing model using the following assumptions:

Share price	\$	0.130
Exercise price	\$	0.180
Expected life in years		2
Volatility		100%
Dividend yield		0%
Risk-free rate		1%
Call value	\$	0.058

The Company incurred additional costs of \$154,366 relating to professional and advisory services and listing fees resulting in net proceeds of the brokered private placement of \$2,758,526 which was allocated proportionally between share capital and warrants based on their relative fair values within the unit with \$1,903,383 (69%) allocated to share capital and \$855,143 (31%) allocated to warrants.

# VitalHub Corp.

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## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

### 10 Share capital (continued)

#### c) Share based compensation and share based payment reserve

A summary of changes in share-based compensation during the nine month periods ended September 30, 2017 and 2016 is as follows:

	2017		2016	
	Number of options outstanding	Weighted average exercise price \$	Number of options outstanding	Weighted average exercise price \$
Outstanding, beginning of period	1,857,741	0.109	-	-
Granted during the period	1,565,000	0.120	3,242,326	0.100
Outstanding, end of period	3,422,741	0.109	3,242,326	0.100
Exercisable, end of period	2,862,741	0.107	3,242,326	0.100

Between October 1, 2016 to December 31, 2016, the following transactions occurred: 478,571 options were exercised, 2,763,755 options were cancelled and modified in exchange for 957,741 options and 900,000 options were issued under a reverse takeover transaction.

The following table summarizes information about the Company's stock options outstanding at September 30, 2017:

Exercise price \$	Number outstanding at September 30 2017	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable at September 30 2017	Weighted average exercise price \$
0.100	900,000	2.748	0.100	900,000	0.100
0.100	957,741	3.592	0.100	957,741	0.100
0.120	1,565,000	4.279	0.120	1,005,000	0.120
	3,422,741	3.684	0.109	2,862,741	0.107

# VitalHub Corp.

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## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 10 Share capital (continued)

#### c) Share based compensation and share based payment reserve (continued)

During the nine months ended September 30, 2017 1,565,000 (September 30, 2016 – 3,242,326) stock options with an aggregate fair value of \$119,185 (September 30, 2016 - \$250,000) at the date of grant were issued. The fair value of the stock options granted during 2017 was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	January 10, 2017	
Share price	\$	0.105
Exercise price	\$	0.120
Risk-free interest rate (%)		1%
Expected volatility (%)		100%
Expected life in years		5
Expected dividends (\$)		nil

Share based compensation expense of \$87,199 for the period ended September 30, 2017 has been allocated as follows: \$76,537 is included in selling, marketing and administrative expenses (September 30, 2016 - \$205,000) and \$10,662 is included in research and development expenses (September 30, 2016 - \$45,000).

Employees were granted 560,000 options which vest equally 1/36 per month commencing from the date the options were granted, and they are exercisable one year after the date on which the options were granted. Directors and non-employees were granted 1,005,000 vested options.

# VitalHub Corp.

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## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

### 10 Share capital (continued)

#### d) Warrants

A summary of changes in warrants during the nine month periods ended September 30, 2017 and 2016 is as follows:

	2017		2016	
	Number of warrants outstanding	Weighted average exercise price \$	Number of warrants outstanding	Weighted average exercise price \$
Outstanding, beginning of period	6,902,358	0.140	-	-
Expired during the period	(500,000)	0.100	-	-
Granted on brokered private placement (note 10(b))	34,413,270	0.150	-	-
Outstanding, end of period	40,815,628	0.175	-	-

Between October 1, 2016 to December 31, 2016, the following transactions occurred: 500,000 warrants were issued under a reverse takeover transaction, 4,825,688 warrants were granted under a brokered private placement, and 1,576,670 warrants were granted under a non-brokered private placement.

As at September 30, 2017, warrants outstanding were as follows:

Exerise price \$	Number outstanding at September 30 2017	Weighed average remaining contractual life (years)	Weighted average exercise price \$
0.110	629,438	1.162	0.110
0.150	1,576,670	1.066	0.150
0.150	4,196,250	1.162	0.150
0.180	34,413,270	1.951	0.180
	40,815,628	1.823	0.175

# VitalHub Corp.

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## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 10 Share capital (continued)

#### e) Shares held in escrow

The escrow agreement relating to the reverse takeover transaction completed on November 28, 2016 provides share release equal to 10% upon completion of the initial public offering and listing on the TSXV Venture with the remaining shares to be released 15% six months following the initial release and 15% every six months thereafter until fully released.

As of September 30, 2017, a total of 4,201,468 shares have been released and a total of 13,677,119 shares remain in escrow.

### 11 Net (loss) income per share

#### a) Basic

Basic (loss) income per share is calculated by dividing the net (loss) income attributable to the Company by the weighted average number of common shares outstanding during the period.

	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
Net (loss) income for the period	\$ (563,486)	\$ 3,388	\$ (1,368,491)	\$ (677,908)
Weighted average shares	41,110,405	13,400,016	36,693,767	13,400,016
Basic (loss) income per share	\$ (0.014)	\$ 0.000	\$ (0.037)	\$ (0.051)

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 11 Net (loss) income per share (continued)

#### b) Diluted

Diluted (loss) income per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has two categories of dilutive potential common shares: stock options and warrants. For each, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's outstanding shares for the period), based on the exercise prices attached to each instrument. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the outstanding instruments that were in the money at the end of the period.

	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
Net (loss) income for the period	\$ (563,486)	\$ 3,388	\$ (1,368,491)	\$ (677,908)
Weighted average shares	41,110,405	13,400,016	36,693,767	13,400,016
Add: Option units	-	2,494,091	-	-
Diluted units	41,110,405	15,894,107	36,693,767	13,400,016
Diluted (loss) income per share	\$ (0.014)	\$ 0.000	\$ (0.037)	\$ (0.051)

For the calculation of diluted (loss) income per share for the three months ended September 30, 2017 and the nine months ended September 30, 2017 and 2016, options and warrants have been excluded from the calculation as the effect would be anti-dilutive.

# VitalHub Corp.

(formerly Quinsam Opportunities I Inc.)

## Notes to the Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2017

(in Canadian Dollars)

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### 12 Statements of cash flow

Components of the net change in non-cash working capital for the nine month periods ended September 30, 2017 and 2016 are as follows:

	2017	2016
	\$	\$
(Increase) decrease in current assets		
Financing proceeds held in escrow	(1,000,000)	-
Receivables - trade and other	220,700	(658,038)
Prepaid expenses	(111,338)	5,613
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	437,082	112,761
Payable to investors	35,000	250,000
Deferred revenue	(52,402)	(45,206)
	<u>(470,958)</u>	<u>(334,870)</u>

### 13 Subsequent events

#### a) Securities for debt transactions

##### i) Promissory note

On October 23, 2017, the remaining balance of the promissory note of \$31,832 was converted into 318,321 shares of the Company at \$0.10 per share and 318,321 warrants exercisable at \$0.18 per share. Each warrant will entitle the holder to purchase one common share for a period of twenty-four (24) months from the date of issuance. All securities issued in connection with the offering are subject to a four month hold period expiring February 24, 2018.

##### ii) Legal fees

On October 23, 2017, the Company's external legal counsel converted \$27,000 of debt owed to them by the Company into 270,000 shares of the Company at \$0.10 per share and 270,000 warrants exercisable at \$0.18 per share. Each warrant will entitle the holder to purchase one common share for a period of twenty-four (24) months from the date of issuance. All securities issued in connection with the offering are subject to a four month hold period expiring February 24, 2018.

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### 13 Subsequent events (continued)

#### a) Securities for debt transactions (continued)

##### ii) Legal fees (continued)

All amounts converted represent indebtedness for services previously rendered to the Company over the last year.

#### b) Acquisition

On October 5, 2017, the Company completed the acquisition of B Sharp Technologies through the purchase of all of the issued and outstanding securities of B Sharp Technologies pursuant to an acquisition agreement dated August 29, 2017 with all of the shareholders of B Sharp Technologies.

The purchase price for the acquisition was \$3,826,000 paid to the Vendors by way of a cash payment of \$1,876,000.06 (the "cash purchase price") together with the delivery of a total of 13,928,571 common shares of VitalHub, at a price of \$0.14 per common share (the "share purchase price"), issued to the shareholders of B Sharp Technologies. The three principal shareholders of B Sharp Technologies (including their respective wholly-controlled family trusts), received 5,457,171, 5,457,171 and 3,014,229 common shares, respectively, such that following the acquisition they hold approximately 6.8%, 6.8% and 3.7%, respectively, of the total issued and outstanding common shares.

A portion of the cash purchase price is subject to the following escrow conditions (i) 3.75% of the purchase price will be held in escrow for a nine (9) month period from the closing date of the acquisition, and (ii) save and except for the portion of the share purchase price allocated to the 3.7% shareholder, the share purchase price will be released to the former B Sharp Technologies shareholders in six equal consecutive semi-annual distributions, the first of such distributions to occur on the six month anniversary of the closing date of the acquisition. The portion of the share purchase price allocated to the 3.7% shareholder will be released in four equal consecutive semi-annual distributions, the first of such distributions to occur on the six month anniversary of the closing date of the acquisition.

#### c) Private Placement

On October 24, 2017 the Company completed a private placement (the "offering") of 850,00 units at a price of \$0.10 per unit, for total gross proceeds of \$85,000. Each unit consisted of one common share and one warrant. Each warrant is exercisable to acquire one common share at an exercise price of \$0.18 per share until October 24, 2019. All securities issued in connection with the offering are subject to a four month hold period expiring February 25, 2018.