Premier Health Group Inc.

Condensed Consolidated Interim Financial Statements

For the three months period ended March 31, 2019 and 2018

(Unaudited)

(Expressed in Canadian dollars)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the consolidated interim financial statements by an entity's auditor

PREMIER HEALTH GROUP INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
As at

		March 31, 2019		December 31, 2018
ASSETS				
Current Assets				
Cash *(Note 4)*	**$**	**932,242**	$	**1,055,543**
Accounts receivable *(Note 5)*		**141,260**		**113,387**
Deposits on investments		**-**		**700,000**
Marketable securities *(Note 6)*		**1**		**1**
Due from related parties *(Note 11)*		**43,001**		**43,001**
Convertible note receivable *(Note 11)*		**220,000**		**220,000**
Prepaid expenses		**34,215**		**245,279**
Total current assets		**1,370,719**		**2,377,211**
Property and equipment *(Note 7)*		**99,344**		**94,547**
Goodwill *(Note 3)*		**8,913,845**		**3,951,570**
Total Assets	**$**	**10,383,908**	$	**6,423,328**
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Notes 8, 11)*	**$**	**783,681**	$	**627,333**
Deferred acquisition costs *(Note 3)*		**1,000,000**		**-**
Notes Payable *(Note 9)*		**500,000**		**-**
Convertible debenture *(Note 10)*		**1,466,724**		**1,451,786**
Liabilities from discontinued operations *(Note 12)*		**158,289**		**139,372**
Total Liabilities		**3,908,694**		**2,218,491**
SHAREHOLDERS' DEFICIENCY				
Share capital *(Note 13)*		**11,347,100**		**8,047,100**
Equity component of convertible debenture		**880,845**		**880,845**
Reserves		**1,181,946**		**865,014**
Accumulated other comprehensive loss		**(402,732)**		**(406,782)**
Deficit		**(6,531,848)**		**(5,181,243)**
Deficiency attributable to shareholders of the Company		**6,475,311**		**4,204,934**
Non-controlling interest		**(97)**		**(97)**
Total Deficiency		**6,475,214**		**4,204,837**
Total Liabilities and Shareholders' Deficiency	**$**	**10,383,908**	$	**6,423,328**

Nature of operations and going concern *(Note 1)*
Subsequent events *(Note 17)*

Approved and authorized for issuance by the Board of Directors on May 30, 2019

"Essam Hamza"	***"Donald Gordon"***
Essam Hamza, CEO, Director	Donald Gordon, Director

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

For the Three-Month Period Ended		**March 31, 2019**		March 31, 2018
		(Note 12)		*(Note 12)*
REVENUE	$	**1,100,330**	$	-
PHYSICIAN FEES		**(648,752)**		-
GROSS PROFIT		**451,578**		-
EXPENSES				
Accretion and interest expense on convertible debt *(Notes 10 and 11)*		**86,330**		73,541
Amortization (*Note 7)*		**7,265**		-
Management fees *(Note 11)*		-		10,500
Marketing and Advertising		**682,474**		-
Office and Supplies		**105,210**		1,529
Professional fees		**90,665**		1,714
Rent *(Note 11)*		**57,438**		1,500
Stock based compensation *(Note 13)*		**316,932**		-
Transfer Agent and regulatory fees		**10,778**		2,500
Wages & salaries *(Note 11)*		**459,944**		-
		(1,817,036)		(91,284)
		(1,365,458)		(91,284)
Foreign exchange gain (loss)		**37,819**		(38,423)
Loss from discontinued operations *(Note 12)*		**(22,967)**		(36,993)
Net loss for the year		**(1,350,606)**		(166,700)
Net income (loss) attributable to:				
Shareholders of the Company		**(1,350,605)**		(166,663)
Non-controlling interest		**(1)**		(37)
		(1,350,606)		(166,700)
Other comprehensive loss:				
Foreign currency translation		**4,051**		4,385
Other comprehensive loss		**4,051**		4,385
Total comprehensive loss for the year	**$**	**(1,346,555)**	$	(162,315)
Other comprehensive loss attributable to:				
Shareholders of the Company	**$**	**4,050**	$	4,381
Non-controlling interest		**1**		4
	$	**4,051**	$	4,385
Total comprehensive loss attributable to:				
Shareholders of the Company	**$**	**(1,346,555)**	$	(162,282)
Non-controlling interest		**-**		(33)
	$	**(1,346,555)**	$	(162,315)
Basic and diluted loss per common share	**$**	**(0.02)**	$	(0.00)
Weighted average number of common shares outstanding		**64,536,662**		34,944,031

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

PREMIER HEALTH GROUP INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of outstanding shares	Share capital	Equity component of convertible	Share-based compensation reserve	Accumulated other comprehensive income (loss)	Deficit	Non-controlling interest	Total
Balance, December 31, 2017	34,944,031	$ 1,057,100	$ 880,845	$ -	$ (399,107)	$ (2,497,890)	$ (91)	$ (959,143)
Currency translation adjustment	-	-	-	-	4,381	-	4	4,385
Net loss for the period	-	-	-	-	-	(166,663)	(37)	(166,700)
Balance, March 31, 2018	**34,944,031**	**$ 1,057,100**	**$ 880,845**	**$ -**	**$ (394,726)**	**$ (2,664,553)**	**$ (124)**	**$ (1,121,458)**
Shares issued for cash	14,220,000	3,555,000	-	-	-	-	-	3,555,000
Shares issued for business acquisition of HealthVue	12,000,000	3,000,000	-	-	-	-	-	3,000,000
Shares issued for marketing and advertising	500,000	435,000	-	-	-	-	-	435,000
Stock-based compensation	-	-	-	865,014	-	-	-	865,014
Currency translation adjustment	-	-	-	-	(12,056)	-	(1)	(12,057)
Net loss for the period	-	-	-	-	-	(2,516,690)	28	(2,516,662)
Balance, December 31, 2018	**61,664,031**	**$ 8,047,100**	**$ 880,845**	**$ 865,014**	**$ (406,782)**	**$ (5,181,243)**	**$ (97)**	**$ 4,204,837**
Shares issued for business acquisition of Cloud Practice	3,947,368	3,000,000	-	-	-	-	-	3,000,000
Exercise of Options	600,000	300,000	-	-	-	-	-	300,000
Stock-based compensation	-	-	-	316,932	-	-	-	316.932
Currency translation adjustment	-	-	-	-	4,050	-	1	4,051
Net loss for the period	-	-	-	-	-	(1,350,605)	(1)	(1,350,606)
Balance, March 31, 2019	66,211,399	$ 11,347,100	$ 880,845	$ 1,181,946	$ (402,732)	$ (6,531,848)	$ (97)	$ 6,475,214

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

PREMIER HEALTH GROUP INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Three-Month Period Ended	**March 31, 2019**	March 31, 2018
Cash provided by (used in):		
Operating activities		
Net Gain (loss)	**$ (1,350,606)**	$ (166,700)
Item not involving cash		
Accretion on convertible debenture	44,174	33,224
Amortization	7,265	-
Unrealized foreign exchange (gain) loss	(25,185)	42,023
Stock-based compensation	316,932	-
Change in non-cash working capital components:		
Accounts receivable	(24,724)	(884)
Prepaid expenses	222,072	-
Accounts payable and accrued liabilities	66,076	(10,038)
Due from related parties	-	68,625
Net liabilities from discontinued operations	18,917	33,762
Net cash used in operating activities	**(725,079)**	12
Investing activities		
Acquisition of Cloud Practice	(2,000,000)	-
Deferred acquisition cost for Cloud Practice	1,000,000	-
Cash received from acquisition of Cloud Practice	107,092	
Deposits on Investments	700,000	-
Purchase of equipment	(5,314)	-
Net cash (used in) provided by investing activities	**(198,222)**	-
Financing activities		
Exercise of Options	300,000	-
Note Payable to Non Related party	500,000	-
Net cash provided by financing activities	**800,000**	-
Increase (decrease) in cash	**(123,301)**	12
Cash, beginning	**1,055,543**	451
Cash, ending	**$ 932,242**	$ 463
Cash paid for interest	**$** -	$ -
Cash paid for income tax	**$** -	$ -

The accompany notes are an integral part of these condensed consolidated interim 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 to a Plan of Arrangement (the "Arrangement Agreement") with Web Watcher dated October 23, 2013. Pursuant to the Arrangement Agreement, the Company issued 14,403,698 common shares to the Web Watcher shareholders 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"). As at December 31, 2018 and 2017, Clinicas was considered to be a discontinued operation *(Note 12).*

On August 1, 2018, the Company completed the acquisition of all the issued and outstanding shares of HealthVue Ventures Ltd. ("HealthVue") *(Note 3).* HealthVue provides telemedicine visits remotely and full-service family practice from its four clinic locations in the Lower Mainland in British Columbia.

On January 28, 2019 the Company completed the acquisition of all the issued and outstanding shares of Cloud Practice *(Note 3).* Cloud Practice is a technology company that offers cloud-based electronic medical records software, medical billing software and an online patient portal for medical clinics using a software as a service ("SAAS") model. Cloud Practice services over 280 clinics across Canada, 3000 doctors and has approximately 3 million patient charts in their database.

The Company is focused on innovative health care approaches that combine human skill-based expertise with emerging technologies. The Company, in conjunction with its subsidiary Cloud Practice, is developing proprietary technology to deliver quality healthcare through the combination of connected primary care clinics, telemedicine, and an artificial intelligence (AI) enabled patient portal.

The address of the Company's corporate office is 810-789 W Pender Street, Vancouver, British Columbia, Canada.

These condensed consolidated interim 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. During the three months period ended March 31, 2019, the Company had net loss of $1,350,606 (March 31, 2018 – $166,700 loss) and as at March 31, 2019 had an accumulated deficit of $6,531,848 (March 31, 2018 – $2,664,553) which has been funded primarily by share subscriptions received and loans from non-related parties. As at March 31, 2019, the Company had a working capital deficit of $2,537,975. 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. 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 effect of any such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly controlled subsidiary, HealthVue Ventures Ltd. (Canada) ("HealthVue") 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 condensed consolidated interim 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 condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the parent Company and HealthVue, while the functional currency of 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 condensed consolidated interim 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 condensed consolidated interim 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 and HealthVue has been determined to be the Canadian dollar, while the functional currency of Clinicas 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:

Furniture and equipment	20% - declining balance
Computers	55% - declining balance
Software	55% - declining balance
Leasehold improvements	5 years - straight-line

In the year of acquisition and disposal, the Company records half of the amortization expense.

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

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for any assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

g) Financial Instruments *(continued…)*

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

g) Financial Instruments *(continued…)*

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
Accounts receivable	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Convertible notes receivable	Loans and receivables	Amortized cost
Notes receivable	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost
Convertible debt	Other liabilities	Amortized cost
Liabilities from discontinued operations	Available for sale	Fair value

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

The Company recognizes revenue when it has persuasive evidence of a contract, performance obligations have been identified and satisfied, payment items have been identified, and it is probable that the Company will collect the consideration it is entitled to.

The Company recognizes revenue from the rendering of independent medical assessments, patient services, and from the sale of medical software services using a SAAS model based in the accounting period in which the services are rendered and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

i) Earnings/(Loss) Per Share

Basic earnings/(loss) per share is computed by dividing the income/(loss) for the period from continuing operations 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

l) Foreign Currency Translation

The functional currency of the Company, HealthVue and Cloud Practice is the Canadian Dollar, and the functional currency of 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.

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 (deficiency) as accumulated other comprehensive income (loss).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

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 conform to the current year's presentation.

p) Accounting Standards Issued but not yet Effective

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. The Company has assessed the impact of this change, which will result in the reclassification of the Company's leases of its rental properties as financing leases.

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.

3. BUSINESS ACQUISITION

HealthVue Ventures Ltd.

On August 1, 2018, the Company completed the acquisition of all of the issued and outstanding shares of HealthVue. HealthVue provides telemedicine visits remotely and full-service family practice from its four clinic locations in the Lower Mainland in British Columbia. Pursuant to the acquisition agreement, the Company issued 12,000,000 common shares of the Company and $999,967 cash payment to the former owners of HealthVue.

The acquisition of HealthVue by the Company is considered to be business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with IFRS 3 – Business Combination. The allocation of the purchase consideration is as follows:

3. BUSINESS ACQUISITION *(continued…)*

HealthVue Ventures Ltd. (continued…)

Purchase price:		
Fair value of common shares issued (12,000,000 at $0.25 per share)	$	3,000,000
Cash paid		999,967
Total consideration paid	$	3,999,967
Allocated as follows:		
Cash		323,108
Accounts receivable		2,603
Prepaid		8,487
Property and equipment		105,910
Accounts payable		(391,711)
Net assets acquired		48,397
Goodwill acquired	$	3,951,570

Cloud Practice Inc.

On January 28, 2019, the Company completed the acquisition of all of the issued and outstanding shares of Cloud Practice. Cloud Practice provides cloud-based electronic medical records software and other medical applications using a SAAS model. Pursuant to the acquisition agreement, the Company issued 3,947,368 common shares of the Company and will pay $2,000,000 cash payment to the former owners of Cloud Practice as follows:
(i) $500,000 paid on December 5, 2018, (ii) $500,000 paid on January 28, 2019, (iii) $500,000 paid on April 1, 2019 (subsequent to March 31, 2019), (iv) $500,000 payable on June 5, 2019 (subsequent to March 31, 2019).

The acquisition of Cloud Practice by the Company is considered to be business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with IFRS 3 – Business Combination. The allocation of the purchase consideration is as follows:

Purchase price:		
Fair value of common shares issued (3,947,368 at $0.76 per share)	$	3,000,000
Cash paid		1,000,000
Cash Installments – Deferred acquisition cost		1,000,000
Total consideration paid	$	5,000,000
Allocated as follows:		
Cash		107,092
Accounts receivable		3,149
Prepaid		11,008
Property and equipment		6,748
Accounts payable		(90,272)
Net assets acquired		37,725
Goodwill acquired	$	4,962,275

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:

		March 31, 2019		December 31, 2018
Trade receivables	$	222,663	$	197,444
GST receivable		32,952		25,340
Allowance for doubtful account		(93,792)		(93,792)
Receivables from discontinued operations		(20,563)		(15,605)
	$	141,260	$	113,387

An allowance for doubtful accounts of $93,792 has been provided against these accounts receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

6. MARKETABLE SECURITIES

The 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 March 31, 2019 and December 31, 2018, 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, valued at $250,000. 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 shares of CHH shares for total proceeds of $707,030, resulting in a realized gain of $475,780. As at March 31, 2019, the Company no longer holds any shares in CHH.

Total marketable securities:

		MOG		CHH		Total
Cost						
Balance at December 31, 2016	$	400,000	$	231,250	$	631,250
Dispositions		-		(231,250)		(231,250)
Balance at December 31, 2018 and March 31, 2019		400,000		-		400,000
Adjustments to Fair Value						
Balance at December 31, 2016		(399,999)		305,250		(94,749)
Adjustment for the year		-		(305,250)		(305,250)
Balance at December 31, 2017, December 31, 2018, and March 31 2019		(399,999)		-		(399,999)
Fair Value						
At December 31, 2018 and March 31, 2018	$	1	$	-	$	1

7. PROPERTY AND EQUIPMENT

	Equipment	Computers	Software	Leasehold improvement	Total
Cost					
December 31, 2018	$ 34,526	$ 20,308	$ 497	$ 53,766	$ 109,097
Business acquisition (Note 3)	2,795	3,953	-	-	6,748
Additions	902	4,412	-	-	5,314
Balance at March 31, 2019	$ 38,223	$ 28,673	$ 497	$ 53,766	$ 121,159
Accumulated Amortization					
December 31, 2018	$ 3,272	$ 5,765	$ 137	$ 5,376	$ 14,550
Amortization	1,704	2,824	49	2,688	7,265
Balance at March 31, 2019	$ 4,976	$ 8,589	$ 186	$ 8,064	$ 21,815
Net Book Value					
December 31, 2018	$ 31,254	$ 14,543	$ 360	$ 48,390	$ 94,547
March 31, 2019	$ 33,247	$ 20,084	$ 311	$ 45,702	$ 99,344

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	December 31, 2018
Accounts payables (Note 10)	$ 509,092	$ 392,832
Accrued liabilities	98,059	82,020
Interest payable on convertible debentures *(Note 10)*	274,693	241,120
Accounts payables from discontinued operations	(98,163)	(88,639)
	$ 783,681	$ 627,333

9. NOTE PAYABLE

As at March 30, 2019, the Company owed a promissory note payable of $500,000 to a non related party. The amount owing is unsecured, bears a fixed interest amount of $5,000, and is due on demand.

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. 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 accretion expense. $44,174 accretion, and $42,156 interest was recorded as expense for the period ended March 31, 2019 (2018 – accretion and interest of $73,541).

As at March 31, 2019, the value of this loan was $1,466,724 (December 31, 2018 - $1,451,786), which was recorded as a current liability, since this debt was forgiven subsequent to March 31, 2019, as part of the discontinued operation negotiations *(Note 12)*.

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:

	March 31, 2019	March 31, 2018
Management fees to the former CFO	$ -	$ 10,500
Administration fees paid to a company owned by the former CFO	-	1,500
Rent paid to a company owned by the former CFO	-	1,500
Salaries paid to the CEO	60,000	-
Salaries paid to the CFO	25,000	-
Salaries paid to the COO	25,000	-
Consulting fees to the former CEO, included in loss from discontinued operations *(Note 12)*	5,079	3,504
Stock-based compensation to the CEO, CFO and COO	-	-
Accretion and interest expense on convertible debenture to the former CEO *(Note 10)*	86,330	73,541

As at March 31, 2019, the Company had $43,001 (December 31, 2018 - $43,001) due from the former CFO and a company owned by the former CFO. The former CFO is also a director of the Company. This amount is non-interest bearing. This amount owing to the Company by the former CFO was transferred to the former CEO, subsequent to year end, as discussed in Notes 12 and 17.

As at March 31, 2019, the Company has a convertible debenture valued at $1,466,724 (December 31, 2018 - $1,451,786) to the former CEO. As at March 31, 2019, $274,693 (December 31, 2018- $241,120) of accrued interest on this debenture is included in accounts payable and accrued liabilities. During the 3-month period ended March 31, 2019, $44,174 of accretion expense, and $42,156 of interest expense, for a total of $86,330 was recorded as accretion and interest expense (2018 - $73,541). *(Note 10)*.

As at March 31, 2019, included in accounts payable is $14,767 (2018 - $14,767) owing to directors of the Company.

As at March 31, 2019, the Company had $323,189 owing to the former CEO, (December 31, 2018 $316,779). This amount is included in the net liabilities from discontinued operations as at March 31, 2019 and December 31, 2018 and is non-interest bearing.

As at March 31, 2019 and December 31, 2018, the Company had $220,000 receivable from Explorinvest Capital Corp., a company partially owned by the former CFO of the Company. As at December 31, 2017, this note had no terms of repayment. During the year ended December 31, 2018, 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. This note was assigned to the former CEO, subject to certain conditions, subsequent to March 31, 2019 *(Notes 11, 12 and 17)*.

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 former CEO on the convertible debenture, and was purchased by certain shareholders of the Company, and then settled for shares *(Note 10)*.

12. DISCONTINUED OPERATIONS

During the year ended December 31, 2018, the Company entered into a share purchase agreement (the "Purchase Agreement") with the Company's former 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 would result in a change of control of the Company (Note 3). The terms of the Purchase Agreement were 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.
- The Purchaser will forgive the convertible debenture of US$1,500,000 and all accrued interest proportionally to the shares of Clinicas transferred *(Note 9).*

This Purchase Agreement constituted a discontinued operation involving the loss of control of Clinicas by the Company as at December 31, 2017. During the year ended December 31, 2018, the Purchase Agreement was not executed. As a result, a subsequent settlement agreement was entered into subsequent to March 31, 2019 (the "Settlement Agreement"). As a result of the Settlement Agreement, the loss of control of Clinicas constitutes a discontinued operation of the Company as at March 31, 2019 and December 31, 2018. As a result, all of the assets and liabilities of Clinicas have been classified as held-for-sale as at March 31, 2019 and December 31, 2018. This resulted in a net liability of $158,289 (December 31, 2018 - $139,372) from discontinued operation as at March 31, 2019.

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.

The Settlement Agreement was entered into on April 1, 2019, with the Purchaser to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture issued on the original purchase of 99.9% of Clinicas.

As part of the Settlement Agreement, the Company agreed to the following: a) issue the Purchaser an aggregate of 400,000 shares within 14 days and 75,000 shares, or 50,000 in cash within 90 days, b) assign to the Purchaser's company, Benras Holdings Inc., the following promissory notes as security for, and in full and final satisfaction of any amount owed by the Company to the Purchaser: (i) a promissory note dated February 20, 2018 plus interest owed to the Company by the former CFO and a company owned by the former CFO with an amount outstanding as at December 31, 2018 of $43,001, and (ii) a promissory note dated February 20, 2018 in the amount of $220,000 plus interest owed to the Company by Explorinvest Capital Corp., a company partially owned by the former CFO of the Company *(Notes 11 and 17).*

12. DISCONTINUED OPERATIONS *(continued…)*

Revenues and expenses from Clinicas are as follows:

		March 31, 2019		March 31, 2018
REVENUE	**$**	**59,462**	$	49,737
EXPENSES				
Advertising		**1,342**		7,108
Amortization		**12,853**		7,675
Leasehold improvements written off		**-**		8,243
Bank charges an interest		**5,791**		4,743
Consulting fees *(Note 11)*		**5,079**		3,504
Insurance		**2,032**		1,610
Office and Administration		**8,820**		6,545
Professional fees		**4,886**		4,647
Rent		**12,672**		-
Repair and maintenance		**534**		1,012
Wages and related expenses		**27,600**		33,135
Other expenses		**820**		8,508
Loss from discontinued operations	**$**	**(22,967)**	$	(36,993)

13. SHARE CAPITAL

a) Authorized: unlimited common shares without par value

b) Share Capital: As at March 31, 2019, the issued share capital comprises 66,211,399 (December 31, 2018 – 61,664,031) common shares.

During the 3-month period ended March 31, 2019:

- On January 28, 2019, the Company issued 3,947,368 common shares at a price of $0.76 for the business acquisition of Cloud Practice. (Note 3)

During the year ended December 31, 2018:

- On July 25, 2018, the Company closed a non-brokered private placement of 14,220,000 common shares for gross proceeds of $3,555,000 ($0.25 per common share).
- On August 1, 2018, the Company issued 12,000,000 common shares at a price of $0.25 for the business acquisition of HealthVue Ventures Ltd. (Note 3)
- On October 9, 2018, the Company issued 500,000 common shares for marketing and advertising expense valued at $435,000 ($0.87 per common share).

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 9,10).
- 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.

13. SHARE CAPITAL *(continued…)*

c) Share Purchase Warrants

The following is a summary of warrant activities during the period ended March 31, 2019:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2017	333,333	$ 1.50
Expired	(333,333)	$ (1.50)
Outstanding, March 31, 2019 and December 31, 2018	-	$ -

As at March 31, 2019, no warrants were outstanding.

d) Escrow shares

As at March 31, 2019, the Company has 12,947,368 common shares held in escrow.

Escrow shares will be released as follows:

- 1,800,000 shares on August 1, 2019, and the same amount released each six months thereafter until the last 1,800,000 are released on August 1, 2021.
- 1,973,684 shares on July 28, 2019 and the same amount released on January 28, 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.

The following grants were made during the 3-month period ended March 31, 2019:

On February 4, 2019, 300,000 options were granted to consultants of the Company, exercisable at $0.76 per share. The options vest 4 months after the grant and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $181,116, of which $83,011 was recorded in the period ended March 31, 2019 based on vesting conditions.

On February 4, 2019, 2,050,000 options were granted to employees of the Company, exercisable at $0.76 per share. The options shall vest 25% every 6 months, commencing on August 4, 2019. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was $1,237,623, of which $195,872 was recorded in the period ended March 31, 2019 based on vesting conditions.

The option pricing model used an average risk-free rate of 1.80%, estimated life of 5 years, volatility of 100% and dividend yield of 0%.

13. SHARE CAPITAL *(continued…)*

e) Stock Options *(continued)*

The following grants were made during the year ended December 31, 2018:

On August 13, 2018, 3,200,000 options were granted to consultants and officers of the Company, exercisable at $0.50 per share. The options vest 4 months after the grant and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $787,041, of which all was recorded in the period ended December 31, 2018 based on vesting conditions.

On August 13, 2018, 800,000 options were granted to employees of the Company, exercisable at $0.50 per share. The options shall vest 25% every 6 months, commencing on February 13, 2019. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was $196,760, of which $38,049 ($77,973 in the period ended December 31, 2018) was recorded in the period ended March 31, 2019 based on vesting conditions.

The option pricing model used an average risk-free rate of 2.19%, estimated life of 5 years, volatility of 100% and dividend yield of 0%.

The following is a summary of option activities during the year ended December 31, 2018 and period ending March 31, 2019:

	March 31, 2019		December 31, 2018	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance outstanding beginning of year	4,000,000	0.50	-	-
Options Granted	2,350,000	0.76	4,000,000	0.50
Options Exercised	(600,000)	0.50	-	-
Balance outstanding end of period	**5,750,000**	**$ 0.61**	4,000,000	$ 0.50

As at March 31, 2019 the Company had the following stock options outstanding and exercisable:

Outstanding	**Exercisable**	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
3,400,000	2,800,000	$0.50	4.37	August 12, 2023
2,350,000	-	$0.76	4.85	February 03, 2024
5,750,000	**2,800,000**		**4.57**	

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, deposits on investments, accounts payable, amounts due from and to related parties, notes receivable, convertible notes receivable, 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, notes receivable and convertible notes receivable 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.

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 March 31, 2019, 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 March 31, 2019, 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.

15. FINANCIAL INSTRUMENTS *(continued…)*

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 March 31, 2019, the Company had net financial liabilities denominated in foreign currencies of approximately $1,625,000. A 10% change in the value of the Dominican Peso versus the Canadian dollar would give rise to a gain or loss of approximately $16,000, 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 $146,000. 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.

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 March 31, 2019	$	10,383,908	$	-	$	10,383,908
As at December 31, 2018	$	6,423,328	$	-	$	6,423,328
Revenue for the period ended:						
March 31, 2019	$	1,100,330	$	-	$	1,100,330
March 31, 2018	$	-	$	49,737	$	49,737
Net income (loss) for the period ended:						
March 31, 2019	$	(1,327,639)	$	(22,967)	$	(1,350,606)
March 31, 2018	$	(129,707)	$	(36,993)	$	(166,700)

17. SUBSEQUENT EVENTS

- On April 1, 2019, the Company entered into a settlement agreement to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture held by the former CEO issued on the original purchase of 99.9% of Clinicas (the "Settlement Agreement"). As part of the Settlement Agreement, the Company agreed to the following: a) issue the Purchaser an aggregate of 400,000 shares within 14 days and 75,000 shares, or 50,000 in cash within 90 days, b) assign to the Purchaser's company, Benras Holdings Inc., the following promissory notes as security for, and in full and final satisfaction of any amount owed by the Company to the Purchaser: (i) a promissory note dated February 20, 2018 plus interest owed to the Company by the former CFO and a company owned by the former CFO with an amount outstanding as at December 31, 2018 of $43,001, and (ii) a promissory note dated February 20, 2018 in the amount of $220,000 plus interest owed to the Company by Explorinvest Capital Corp., a company partially owned by the former CFO of the Company *(Notes 10, 11 and 12)*.

- On April 2, 2019, the Company entered into a definitive agreement to acquire two pharmacies based in Metro Vancouver, B.C. Under the terms of the agreement, in consideration for the pharmacies, the Company will assume the net liabilities of the pharmacies estimated at $2,500,000 and pay to the vendors up to $4,050,000 as follows: (i) up to $1,300,000 in cash, including $200,000 paid during the year ended December 31, 2018, as a refundable deposit, upon signing of the letter of intent on December 4, 2018, (ii) 3,432,384 common shares of the Company and (iii) 343,926 performance share units of the Company. Each performance share shall vest into one common share without any payment on April 30, 2020, if certain earnings milestones for the pharmacies are met.

- On April 26, 2019, the Company closed the first tranche of its previously announced private placement financing of up to $3 million. A total of 3,138,634 units at 65 cents per share were issued for total gross proceeds to the company of $2,040,112. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable for an additional share at a price of $1 for a period of two years from issuance.

- On May 16, 2019, the Company closed the second and final tranche of its previously announced private placement financing of up to $3 million. A total of 684,553 units at 65 cents per share were issued for total gross proceeds to the company of $444,959. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable for an additional share at a price of $1 for a period of two years from issuance.