

LeenLife Pharma International Inc.

Condensed Interim Financial Statements

For the six months ended September 30, 2017

Expressed in Canadian dollars

LeenLife Pharma International Inc.

**Unaudited Condensed Interim Financial Statements
For the six months ended September 30, 2017**

Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee.

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

LeenLife Pharma International Inc.
Condensed Interim Statements of Financial Position
As At,
(Expressed in Canadian dollars)

	Note	September 30, 2017	March 31, 2017
ASSETS			
Current Assets			
Cash		\$ 1,954	\$ 179,962
Amounts receivable		35,792	19,497
		37,746	199,459
Equipment	4	4,413	3,512
Total assets		\$ 42,159	\$ 202,971
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 196,642	\$ 119,510
Advances from shareholders	8	55,000	-
Advances and amounts owing to related parties;	9	122,824	64,303
		374,466	183,813
SHAREHOLDERS' EQUITY			
Share capital	10	5,115,190	5,035,437
Equity reserves		274,160	8,050
Deficit		(5,721,657)	(5,024,329)
		(332,307)	19,158
Total liabilities and shareholders' equity		\$ 42,159	\$ 202,971

"Stan Lis"
Director

"Casey Forward"
Director

LeenLife Pharma International Inc.
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note	For the three months ended September 30, 2017	For the three months ended September 30, 2016	For the six months ended September 30, 2017	For the six months ended September 30, 2016
Expenses					
Amortization		\$ 390	\$ 325	\$ 779	\$ 542
Bank charges and interest		233	20,649	342	20,649
Consulting fees	9	25,000	24,431	36,786	54,431
Management and director fees	9	55,500	54,000	111,000	108,000
Office and general		20,758	25,110	49,593	34,187
Professional fees	9	67,675	21,500	131,905	110,670
Research		10,000	5,000	62,965	20,000
Shareholder liaison and promotion		4,386	6,000	4,386	6,000
Stock based compensation		-	-	291,863	-
Transfer agent and filing fees		4,938	7,642	7,709	10,184
Travel		-	5,679	-	11,824
		(188,880)	(170,336)	(697,328)	(376,487)
Other items					
Interest income		-	630	-	1,255
Loss and comprehensive loss		\$ (188,880)	\$ (169,706)	\$ (697,328)	\$ (375,232)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding		34,143,889	31,733,106	34,143,889	31,733,106

LeenLife Pharma International Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)

Note	For the six months ended September 30, 2017	For the six months ended September 30, 2016
Cash Flows from Operating Activities		
	\$ (697,328)	\$ (375,232)
Loss for the period		
Items not affecting cash:		
Amortization	779	542
Stock based compensation	291,863	-
Accrued interest	-	19,100
	(404,686)	(355,590)
Changes in non-cash working capital:		
Amounts receivable	(16,295)	(14,241)
Prepaid expenses	-	(700)
Accounts payable and accrued liabilities	77,132	84,574
Net cash provided by (used in) operating activities	(343,849)	(285,957)
Cash Flows from Financing Activities		
	54,000	-
Exercise of stock options		
Advances from shareholders	55,000	-
Due to related parties	58,521	287,712
Net cash provided by (used by) financing activities	167,521	287,712
Cash Flows from Investing Activities		
	(1,680)	(1,445)
Purchase of equipment		
Net cash used in investing activities	(1,680)	(1,445)
Change in cash and cash equivalents	(178,008)	310
Cash and cash equivalents at beginning of period	179,962	175
Cash and cash equivalents at end of period	\$ 1,954	\$ 485
Cash and cash equivalents consist of:		
	\$ 1,954	\$ 485
Cash		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

LeenLife Pharma International Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Share Capital		Share-based Compensation	Deficit	Total
		Shares	Amount			
Balance, March 31, 2016		37,733,106	\$ 3,597,443	\$ 8,050	\$ (4,041,841)	\$ (436,348)
Loss for the period		-	-	-	(375,232)	(375,232)
Balance, September 30, 2016		37,733,106	\$ 3,597,443	\$ 8,050	\$ (4,417,073)	\$ (811,580)
Balance, March 31, 2017		34,015,318	\$ 5,035,437	\$ 8,050	\$ (5,024,329)	\$ 19,158
Stock based compensation	7b	-	-	291,863	-	291,863
Exercise of stock options		300,000	54,000	-	-	54,000
Fair value of stock options exercised		-	25,753	(25,753)	-	-
Loss for the period		-	-	-	(697,328)	(697,328)
Balance, September 30, 2017		34,315,318	\$ 5,115,190	\$ 274,160	\$ (5,721,657)	\$ (332,307)

The accompanying notes form an integral part of these financial statements

LeenLife Pharma International Inc.
Notes to the Condensed Interim Financial Statements
for the Six Months ended September 30, 2017
(unaudited)

1. CORPORATE INFORMATION

The Company was incorporated under the laws of the Province of British Columbia on January 12, 2014.

The head office and registered and records office for the Company is located at Suite 380 – 680 Hornby Street, Vancouver, British Columbia, V6C 3B6.

2. BASIS OF PREPARATION

(a) Statement of Compliance

This condensed interim financial information for the six months ended September 30, 2017 have been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended March 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 28, 2017.

3. GOING CONCERN ISSUES

The Company incurred a loss of \$697,328 for the six months ended September 30, 2017 (2016: \$205,528), and has an accumulated deficit of \$5,721,657 and working capital deficiency of \$336,720 at September 30, 2017 (March 31, 2017: deficit of \$5,024,329 and working capital of \$15,646). 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.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

5. SEGMENTED INFORMATION

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. As at September 30, 2017, the Company considers that it has one reportable business segment.

LeenLife Pharma International Inc.
Notes to the Condensed Interim Financial Statements
for the Six Months ended September 30, 2017
(unaudited)

6. EQUIPMENT

	Computer equipment
Cost	
Balance at March 31, 2016	\$ 3,984
Additions	3,050
Balance at March 31, 2017	7,034
Additions	1,680
Balance at September 30, 2017	\$ 8,714
Amortization and impairment	
Balance at March 31, 2016	\$ 1,095
Amortization	2,427
Balance at March 31, 2017	3,522
Amortization	779
Balance at September 30, 2017	\$ 4,301
Carrying amounts	
at March 31, 2017	\$ 3,512
at September 30, 2017	\$ 4,413

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

For the six months ended September 30, 2017

Stock options were exercised for a total of 300,000 shares at \$0.18 per share for a total of \$54,000. The fair value of the stock exercised is \$25,753 based on stock-based compensation of \$291,863 as shown in note (b) below.

For the year ended March 31, 2017

The Company closed a non-brokered private placement in three tranches issuing a total of 14,515,000 Units at \$0.10 per unit. Each Unit consists of one common share of the Company and one warrant to purchase an additional share at \$0.15 per share for a period of two years. The first tranche of 9,335,000 Units closed on December 16, 2016 with the Company issuing 9,335,000 common shares and 9,335,000 warrants exercisable at \$0.15 until December 16, 2018. The second tranche of 450,000 Units closed on December 30, 2016 with the Company issuing 450,000 common shares with 450,000 warrants exercisable until December 30, 2018. The third tranche of 4,730,000 Units closed on February 21, 2017 with the Company issuing 4,730,000 common shares with warrants exercisable until February 21, 2019. The Company incurred issue costs of \$13,506.

On March 30, 2017, the Company returned to treasury and cancelled the 12,232,788 common shares issued in connection to the acquisition of LeenLife SA.

LeenLife Pharma International Inc.
Notes to the Condensed Interim Financial Statements
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(unaudited)

7. SHARE CAPITAL (continued)

(b) Stock options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares.

(i) The changes in stock options were as follows:

	For the six months ended September 30, 2017	Weighted Average Exercise Price	For the year ended March 31, 2017	Weighted Average Exercise Price
Balance, beginning of period	-	\$ -	-	\$ -
Activities during the period:				
Granted	3,400,000	0.18	-	-
Exercised	(300,000)	0.18		
Balance, end of period	3,100,000	\$ 0.18	-	\$ -

During the period ended September 30, 2017, the Company granted a total of 3,400,000 options to employees, consultants, directors and officers.

Using the fair value method for share-based payments, a total expense of \$291,863 was recorded in the statements of comprehensive loss for the period ended September 30, 2017.

The current amount was determined using the Black Scholes Option Pricing Model assuming no dividends are to be paid, with a weighted average expected stock option life of 2 years, a weighted average annual volatility of the Company's share price of 170.7 and an average annual risk free interest rate of 1.00%.

(ii) The following table summarizes information about stock options outstanding at September 30, 2017.

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (years)
\$ 0.18	3,100,000	3,100,000	2.7
	3,100,000	3,100,000	2.7

(c) Warrants

(i) The changes in warrants were as follows:

	For the six months ended September 30, 2017	Weighted Average Exercise Price	For the year ended March 31, 2017	Weighted Average Exercise Price
Balance at beginning of period	-	\$ -	-	\$ -
Activities during the period:				
Issued	14,515,000	\$ 0.15	-	\$ -
Balance at end of period	14,515,000	\$ 0.15	-	\$ -

(ii) The following table summarizes information about warrants outstanding at September 30, 2017:

Number outstanding	Exercise price	Expiry date
9,335,000	0.15	December 16, 2018
450,000	0.15	December 30, 2018
4,730,000	0.15	February 21, 2019
14,515,000		

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8. ADVANCES FROM SHAREHOLDERS

Arm's length shareholders have advanced a total of \$55,000 to the Company. The amounts are non-interest bearing, unsecured with no stated terms of repayment. See also note 12.

9. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	For the six months ended September 30, 2017	For the six months ended September 30, 2016
Management fees	\$ 55,500	\$ 108,000
Professional fees	55,500	108,000
Consulting fees	17,000	15,000
Stock based compensation	184,561	-
	\$ 312,561	\$ 231,000

As at September 30, 2017 accounts payable and accrued liabilities included \$122,824 (March 31, 2017 - \$64,303) owing to officers and directors. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

10. CAPITAL DISCLOSURES

The Company's objectives when managing capital is 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 and cash 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 development of the real estate development Business. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

11. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Foreign exchange risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage.

As at September 30, 2017, the Company had a cash balance of \$1,954 and GST receivable of \$37,792 to settle current trade liabilities of \$196,642. The Company will require financing from lenders, shareholders or other investors to generate sufficient capital to meet its short term business requirements.

LeenLife Pharma International Inc.
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11. FINANCIAL INSTRUMENTS AND RISKS (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund operations to manufacture and sell its products is subject to risks associated with fluctuations in prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of flax seed oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

At September 30, 2017	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,954	\$ -	\$ -	\$ 1,954
At March 31, 2017	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 179,962	\$ -	\$ -	\$ 179,962

LeenLife Pharma International Inc.
Notes to the Condensed Interim Financial Statements
for the Six Months ended September 30, 2017
(unaudited)

12. EVENTS OCCURRING AFTER THE REPORTING DATE

The Company has received additional advances of \$100,000 from shareholders. See note 8 for comments.

In October the Company announced it had entered into an exclusive agreement with BioCube Corporation Ltd. ("BioCube"), an Australian company with offices in British Columbia, whereby BioCube will supply BioCube processors on an exclusive worldwide basis to the Issuer for the processing of flax thereby enabling the Issuer to manufacture its Omega 3 products based on flax seed oil.

BioCube has agreed to manufacture the BioCube Processor for flaxseed oil exclusively for the Company on following terms:

1. Advance payment of fixed fee to BioCube as an annual minimum royalty (\$25,000) (paid in November) to be applied against a royalty of 2% of net sales of products produced using the BioCube Processor. The 1. Company has the option to purchase one-half of the royalty for consideration of one million dollars.
2. Issuance of one million shares of the Company's stock to BioCube of which 50% will vest after one year and 50% will vest after two years.
3. The term of the agreement is 5 years with renewals of 5-year periods.