

**LeenLife Pharma International Inc.**

**Condensed Interim Financial Statements**

**For the six months ended September 30, 2016**

**Expressed in Canadian dollars**

**LeenLife Pharma International Inc.**

**Unaudited Condensed Interim Financial Statements  
For the six months ended September 30, 2016**

**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, 2016	March 31, 2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 485	\$ 175
Amounts receivable		34,172	19,931
Due from a related party	6	65,000	65,000
Prepays		700	-
Promissory note	6	30,212	28,957
		<u>130,569</u>	<u>114,063</u>
Equipment	4	3,793	2,889
<b>Total assets</b>		<b>\$ 134,362</b>	<b>\$ 116,952</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 186,220	\$ 101,646
Advances and amounts owing to related parties;		638,006	343,697
Loans payable	5	121,716	107,957
		<u>945,942</u>	<u>553,300</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	3,597,443	3,597,443
Equity reserves		8,050	8,050
Deficit		(4,417,073)	(4,041,841)
		<u>(811,580)</u>	<u>(436,348)</u>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 134,362</b>	<b>\$ 116,952</b>

"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, 2016	For the three months ended September 30, 2015	For the six months ended September 30, 2016	For the six months ended September 30, 2015
<b>Expenses</b>					
Amortization		\$ 325	\$ -	\$ 542	\$ -
Bank charges and interest		16,095	69	20,649	199
Consulting fees		-	8,000	-	22,000
Management and director fees		54,000	-	108,000	-
Office and general		29,664	8,602	34,187	13,102
Professional fees		16,500	12,820	110,670	15,473
Research		5,000	-	20,000	-
Sales fees and commissions		29,431	-	54,431	-
Shareholder liaison and promotion		6,000	-	6,000	-
Transfer agent and filing fees		7,642	4,766	10,184	6,197
Travel		5,679	-	11,824	4,730
		(170,336)	(34,257)	(376,487)	(61,701)
<b>Other items</b>					
Interest income		630	630	1,255	1,253
<b>Loss and comprehensive loss</b>		<b>\$ (169,706)</b>	<b>\$ (33,627)</b>	<b>\$ (375,232)</b>	<b>\$ (60,448)</b>
<b>Loss per share, basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding</b>		<b>31,733,106</b>	<b>31,733,106</b>	<b>31,733,106</b>	<b>19,133,334</b>

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

Note	For the six months ended September 30, 2016	For the six months ended September 30, 2015
<b>Cash Flows from Operating Activities</b>		
Loss for the period	\$ (375,232)	\$ (60,448)
Items not affecting cash:		
Amortization	542	-
Accrued interest (income)	19,100	(1,253)
	(355,590)	(61,701)
Changes in non-cash working capital:		
Amounts receivable	(14,241)	(1,865)
Prepaid expenses and deposits	(700)	465
Accounts payable and accrued liabilities	84,574	4,808
<b>Net cash provided by (used in) operating activities</b>	<b>(285,957)</b>	<b>(58,293)</b>
<b>Cash Flows from Financing Activities</b>		
Due to related parties	287,712	-
<b>Net cash provided by financing activities</b>	<b>287,712</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of capital assets	(1,445)	-
<b>Net cash used in investing activities</b>	<b>(1,445)</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>	<b>310</b>	<b>(58,293)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>175</b>	<b>70,890</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 485</b>	<b>\$ 12,597</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 485	\$ 12,597
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Supplemental cash flow information

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

	Share Capital		Share Subscriptions	Share-based Compensation	Deficit	Total	
	Note	Shares					Amount
Balance, March 31, 2015		19,133,334	\$ 447,500	\$ -	\$ 8,050	\$ (308,580)	\$ 146,970
Loss for the period		-	-	-	-	(60,448)	(60,448)
Balance, September 30, 2015		19,133,334	\$ 447,500	\$ -	\$ 8,050	\$ (369,028)	\$ 86,522
Balance, March 31, 2016		31,733,106	\$ 3,597,443	\$ -	\$ 8,050	\$ (4,041,841)	\$ (436,348)
Loss for the period		-	-	-	-	(375,232)	(375,232)
Balance, September 30, 2016		31,733,106	\$ 3,597,443	\$ -	\$ 8,050	\$ (4,417,073)	\$ (811,580)

The accompanying notes form an integral part of these financial statements

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
(Expressed in Canadian dollars)

**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company was incorporated as a numbered company under the laws of the Province of British Columbia on January 12, 2014. Pursuant to a plan of arrangement (the "Arrangement") dated January 14, 2014, between the Company and Vinergy Resources Ltd. ("Vinergy"), the Company acquired from Vinergy a business interest and \$5,000 in cash as part of the Arrangement.

As consideration for the business interest and the cash, the Company issued to Vinergy 2,633,334 common shares in its capital, which shares were distributed by Vinergy to its shareholders. Vinergy completed the share distribution on June 18, 2014.

With the completion of the share distribution, on June 18, 2014, the Company became a reporting issuer in British Columbia, Alberta and Ontario and changed its name on August 1, 2014, to SPT Sulphur Polymer Technologies Inc. On December 17, 2014, the Company was listed and began trading on the Canadian Securities Exchange ("CSE") under the symbol "SEE".

In July, 2015, the Company entered into an agreement to acquire a 90 interest in a Polish private company that had developed a process to isolate omega-3 fatty acids from flax seeds. The acquisition constituted a change of business for the Company for which final approval was received from the CSE on December 2, 2015 and the transaction was formally completed on February 18, 2016. In connection with the change of business, on December 3, 2015 the Company changed its name to LeenLife Pharma International Inc. and commenced trading on the CSE under the symbol "LLP".

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

Any business the Company proposes to undertake may take some time to achieve profitable operation and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, at March 31, 2016, the Company had not yet achieved profitable operations and has accumulated losses of \$4,041,841 (2015 - \$308,580) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. At March 31, 2016, the Company had a working capital deficiency of \$439,237. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity financing, or upon the generation of profits from its portfolio of bio-pharmaceutical assets, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty and may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
(Expressed in Canadian dollars)

**2. BASIS OF PRESENTATION**

**Statement of compliance**

This condensed interim financial information for the three months ended June 30, 2016 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, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

**Basis of presentation**

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information

**3. SIGNIFICANT ACCOUNTING POLICIES**

See notes to the financial statements for the year ended March 31, 2016.

**4. EQUIPMENT**

	Computer equipment
<b>Cost</b>	
Balance at March 31, 2015	\$ -
Additions	3,984
Balance at March 31, 2016	3,984
Additions	1,446
Balance at September 30, 2016	\$ 5,430
<b>Amortization and impairment</b>	
Balance at March 31, 2015	\$ -
Amortization	1,095
Balance at March 31, 2016	1,095
Amortization	542
Balance at September 30, 2016	\$ 1,637
<b>Carrying amounts</b>	
at March 31, 2016	\$ 2,889
at September 30, 2016	\$ 3,793

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
(Expressed in Canadian dollars)

**5. PROMISSORY NOTE and LOANS PAYABLE**

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
The Company had an obligation under a promissory note in the amount of \$2,500. The Note is non-interest bearing, unsecured and due on demand.	\$ 2,500	\$ 2,500
The Company has a loan payable of \$15,000 to a third party. The loan is unsecured, without interest and due on demand.	15,000	15,000
The Company has a loan payable of \$72,000 from third party at an annual interest rate of 20% due on August 8, 2016. The Company received a net of \$70,000 after expenses. The agreement was amended on August 9, 2016 to a maturity date of November 11, 2016 for an additional fee of \$5,000.	86,374	74,012
The Company has a loan payable of 45,000 PLN at an annual interest rate of 20% due on July 16, 2016.	17,842	16,445
<b>Total</b>	<b>\$ 121,716</b>	<b>\$ 107,957</b>

**6. LOANS RECEIVABLES**

**(a) Promissory note**

The Company has advanced a loan of \$25,000 to a non-arm' length company. The loan is repayable on September 30, 2016 and accrues interest at the rate of 10% per annum, annually in arrears. As at June 30, 2016, interest of \$1,255 was accrued with respect to the current period.

**(b) Due from a related party**

The Company has advanced an amount of \$65,000 to Leucadia Finance Partners Inc., a company the majority of whose directors are previous directors of the Company. The loan is unsecured, without interest and due on demand;

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**7. SULSTAR LICENCE**

**Sulstar Licence**

On July 17<sup>th</sup>, 2014, the Company acquired a license from Sulstar Technologies Inc., a British Columbia corporation, for a patented technology for converting waste sulphur into unique granulated thermoplastic asphalt binder and a modified sulphur polymer concrete marketed under the names of Sulstar and Sulconcrete, respectively, for the provinces of British Columbia, Alberta, Saskatchewan and the Yukon Territory, in consideration of \$25,000 cash (paid) and a 2% royalty on all sales. The license has a five-year term (expires on August 14, 2019) and is renewable based on performance.

During the year ended March 31, 2015, the Company recorded impairment in the amount of \$25,000 as the Company had no immediate plans to conduct further business on this project.

**8. LEENLIFE ACQUISITION**

In July, 2015, the Company entered into a share purchase agreement to acquire a 90-per-cent interest in a Polish private company, LeenLife Pharma SA, which has developed a process to isolate omega-3 fatty acids from flax seeds. The purchase price is comprised of 12,232,788 common shares of the Company at a deemed issuance price of \$0.25 per share for an aggregate value of \$3,058,197 and \$563,044 in cash consideration due by January 31, 2016. \$122,541 was advanced to purchase flax seeds and other materials. Common shares totaling 366,984 and valued at \$91,746 were issued as compensation for finder's fees for this contract. The Share Purchase Agreement received final approval from the Canadian Securities Exchange (the "CSE") on December 2, 2015. In anticipation of closing the transaction, the Company changed its name to LeenLife Pharma International Inc. on December 3, 2015.

Several delays were encountered in closing a final document, which was finally completed on February 18, 2016. Subsequent to February 18, 2016, the Company had been waiting for key detailed information with which to advance the objectives of the Company, mainly on the ingredients, patents and follow up on production.

As of November 28, 2016, the 12,232,788 common shares have not been delivered being held in escrow and none of the \$563,044 cash consideration has been advanced.

Management of LeenLife Pharma SA has been uncooperative and information has come to light that suggests that LeenLife Pharma SA does not hold an exclusive patent on the omega-3 processes as it had represented. The Company made a decision to terminate the LeenLife Pharma S.A. relationship and has written off all investments costs. The Company has yet to begin the litigation process to dispute the contract and exit the relationship.

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
(Expressed in Canadian dollars)

**9. CAPITAL STOCK**

Authorized: An unlimited number of common shares, without par value.

Six months ended September 30, 2016

Nil

Year ended March 31, 2016:

As described in Note 8, the Company acquired LeenLife Pharma SA for 12,232,788 common shares of the Company at a deemed issuance price of \$0.25 per share for an aggregate value of \$3,058,197

The Company issued 366,984 in common shares valued at \$91,746 were issued as compensation for finder's fees for the acquisition of LeenLife Pharma SA.

As at September 30, 2016, the Company had no stock options outstanding and exercisable.

A summary of the status of the Company's stock options as at September 30, 2016 and March 31, 2016, and changes during those periods is presented below:

	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Remaining Contractual Life Years</b>
Balance, March 31, 2015	800,000	\$ -	-
Granted during fiscal 2015	(800,000)	\$0.10	5.00
Balance, March 31, 2015	-	-	-
Cancelled in period	-	-	-
<b>Balance, September 30, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
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**11. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, investment in securities, short term loan, due from(to) a related party, accounts payable and accrued liabilities and property option payable. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accrued liabilities approximate their carrying values due to their short- term nature of these instruments.

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

Strategic and operational risks are risks that arise if the Company fails to develop the real estate development Business. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

The Company's credit risk was primarily attributable to bank balances and subscriptions receivable. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. Subscriptions receivable is due from the parent company and management believes that the credit risk to be minimal.

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 September 30, 2016, the Company had a cash balance of \$485 (March 31, 2016 - \$175) and current liabilities of \$934,929 (March 31, 2016 - \$553,300). All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short-term and long-term cash requirements.

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 currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

**LEENLIFE PHARMA INTERNATIONAL INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**September 30, 2016**  
(Expressed in Canadian dollars)

**12. RELATED PARTY TRANSACTIONS**

During the period ended September 30, 2016, the Company entered into the following transactions with related parties:

- (a) Management fees of \$108,000 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company;
- (b) Consulting fees of \$108,000 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;
- (c) Consulting fees of \$15,000 were paid or accrued to a director.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

**13. SUBSEQUENT EVENTS**

On October 28, 2016, the Company announced a private placement, subject to rules of Canadian Securities and acceptance, a private placement of up to 8,000,000 units at \$0.10 per unit for total gross proceeds of up to \$800,000. Each unit will consist of one common share and one transferable share purchase warrant, each warrant exercisable into one additional common share at a price of \$0.15 per share for two years from closing.

All securities issued under the placement will be subject to statutory hold periods expiring four months and one day from issue date.

As at November 28, 2016, the Company had received proceeds of \$687,500.