

Interim Condensed Financial Statements of

ALTERNATE HEALTH CORP.

(Unaudited)

Three and nine month periods ended September 30, 2016

ALTERNATE HEALTH CORP.

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Three and nine month periods ended September 30, 2016
(Unaudited)

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ALTERNATE HEALTH CORP.

Interim Condensed Statement of Financial Position

As at Sept 30, 2016 with comparative figures for the twelve month period ending Dec 31, 2015
(Unaudited)

| | Sept 30 2016 | Dec 31 2015 |
|---|-----------------|----------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 120 | \$ 110 |
| HST receivable | 2,282 | 762 |
| | 2,402 | 872 |
| | \$ 2,402 | \$ 872 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 11,568 | \$ 9,961 |
| Due to related party (Note 4) | 26,370 | 4,727 |
| | 37,938 | 14,688 |
| Shareholders' equity | | |
| Share capital (Note 5) | 7,932 | 7,932 |
| Deficit | (43,468) | (21,748) |
| | (35,536) | (13,816) |
| | \$ 2,402 | \$ 872 |

See accompanying notes to interim condensed financial statements

ALTERNATE HEALTH CORP.

Interim Condensed Statement of Loss and Comprehensive Loss

For the three and nine month periods ended Sept 30, 2016 and 2015
(Unaudited)

| | Three month period ended Sept 30 2016 | Three month period ended Sept 30 2015 | Nine month period ended Sept 30 2016 | Nine month period ended Sept 30 2015 |
|-----------------------------------|--|--|---|---|
| Revenue | \$ - | \$ - | \$ - | \$ - |
| Operating expenses | | | | |
| Bank charges and interest | 81 | 38 | 266 | 177 |
| Office and general | 200 | - | 6,178 | 6,932 |
| Professional fees | (233) | 5,380 | 15,276 | 5,380 |
| Total expenses | 48 | 5,418 | 21,720 | 12,489 |
| Net and comprehensive loss | \$ (48) | \$ (5,418) | \$ (21,720) | \$ (12,489) |

See accompanying notes to interim condensed financial statements

ALTERNATE HEALTH CORP.

Interim Condensed Statement of Changes in Equity

For the nine month period ended Sept 30, 2016 with comparative figures for the nine month period ended Sept 30, 2015
(Unaudited)

| | Share capital | Deficit | Total |
|--|---------------|-------------|-------------|
| Balance, beginning of December 31, 2015 | \$ 7,932 | \$ (21,748) | \$ (13,816) |
| Net and comprehensive loss | - | (21,720) | (21,720) |
| For the period ended September 30, 2016 | 7,932 | (43,468) | (35,536) |
| Balance, beginning of December 31, 2014 | 1 | - | 1 |
| Net and comprehensive loss | - | (12,489) | (12,489) |
| Change in account | 7,931 | - | 7,931 |
| For the period ended September 30, 2015 | \$ 7,932 | \$ (12,489) | \$ (4,557) |

See accompanying notes to interim condensed financial statements

ALTERNATE HEALTH CORP.

Interim Condensed Statement of Cash Flows

For the three and nine month periods ended Sept 30, 2016 and 2015

(Unaudited)

| | Three month period ended Sept 30 2016 | Three month period ended Sept 30 2015 | Nine month period ended Sept 30 2016 | Nine month period ended Sept 30 2015 |
|--|--|--|---|---|
| Operating activities | | | | |
| Net and comprehensive loss | \$ (48) | \$ (5,418) | \$ (21,720) | \$ (12,489) |
| Change in non-cash working capital items (Note 6) | (15,585) | (488) | 87 | (487) |
| Cash provided by (used in) operating activities | (15,633) | (5,906) | (21,633) | (12,976) |
| Investing activities | | | | |
| Due to/from related party | 15,753 | (1,762) | 21,643 | 10,245 |
| Cash provided by (used in) investing activities | 15,753 | (1,762) | 21,643 | 10,245 |
| Financing activities | | | | |
| Issuance of new shares | - | - | - | 7,931 |
| Cash provided by (used in) financing activities | - | - | - | 7,931 |
| Increase (decrease) in cash | 120 | (7,668) | 10 | 5,200 |
| Cash, beginning of period | - | 12,868 | 110 | - |
| Cash (bank indebtedness), end of period | \$ 120 | \$ 5,200 | \$ 120 | \$ 5,200 |

See accompanying notes to interim condensed financial statements

ALTERNATE HEALTH CORP.

Notes to Financial Statements

Sept 30, 2016 with comparative figures for the twelve month period ending Dec 31, 2015
(Unaudited)

1. Nature of operations

Alternate Health Corp. (“AHC” or “the Company”) was incorporated on October 26, 2014, under the laws of the province of British Columbia, Canada. The head office, principal address, records office and registered address of the Company are located at 309 – 1485 6th Ave W. Vancouver, British Columbia, Canada, V6H 4G1.

These interim condensed financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2016.

2. Going concern

These interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from Alternate Health Inc (see note 7), debt or equity financing of the Company and or profits from its business activities.

3. Summary of significant accounting policies

The significant accounting policies and critical and critical estimates and judgments as disclosed in the Company’s December 31, 2015 audited annual financial statements have been consistently applied in the preparation of these condensed unaudited financial statements.

The unaudited condensed financial statements are presented in Canadian dollars.

Statement of Compliance

These condensed interim financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) and do not contain all the information required for financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). They are however accompanied by notes selected in order to provide information necessary to the understanding of the Company’s financial position and its operations since its annual audited financial statements for the year ended December 31, 2015. The condensed interim financial statements should be read in conjunction with the Company’s audited annual statements and related notes as and for the year ended December 31, 2015. The condensed interim financial statements of the Company were authorized for issue by the Audit Committee and the Board of Directors on November 29, 2016.

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Notes to Financial Statements

Sept 30, 2016 with comparative figures for the twelve month period ending Dec 31, 2015
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4. Due to related party

Amounts due to related party are due on demand, are unsecured and bear no rate of interest.

| | Sept 30 2016 | Dec 31 2015 |
|------------------------------|-----------------|----------------|
| Due to Alternate Health Inc. | \$ 26,370 | \$ 4,727 |

The advances are due to Alternate Health Inc. ("AHI"), a related company by virtue of common management.

5. Share capital

| | Sept 30 2016 | December 31 2015 |
|--|-----------------|---------------------|
| Authorized | | |
| Unlimited number of common shares without par value. | | |
| Issued | | |
| 396,600 common shares | \$ 7,932 | \$ 7,932 |

6. Change in non-cash working capital items

| | Three month period ended Sept 30 2016 | Three month period ended Sept 30 2015 | Nine month period ended Sept 30 2016 | Nine month period ended Sept 30 2015 |
|--|--|--|---|---|
| Share subscription receivable | \$ - | \$ - | \$ - | \$ 1 |
| Accounts payable and accrued liabilities | (15,559) | 211 | 1,606 | 211 |
| HST receivable | (26) | (699) | (1,519) | (699) |
| | \$ (15,585) | \$ (488) | \$ 87 | \$ (487) |

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Notes to Financial Statements

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7. Share Exchange Agreement

On November 23, 2015, the Company, and Alternate Health Inc. and its shareholders (“AHI”), an arms’ length British Columbia-based company signed a definitive share exchange agreement to complete a proposed acquisition of AHI by AHC (the “Share Exchange Agreement”).

Pursuant to the terms of the Share Exchange Agreement, AHC will acquire all of the issued and outstanding shares of AHI in exchange for issuance of AHC shares on a one for one basis to AHI’s shareholders, which will result in AHI becoming a wholly-owned subsidiary of the company and the business of AHI becoming the business of AHC (the “Acquisition”). Pursuant to the terms of the proposed Acquisition, AHC will issue 29,970,000 shares to the shareholders of AHI for the Acquisition. 550,000 Warrants of AHC will also be issued to/exchanged with the holders of warrants of AHI on a one for one basis. The actual number of AHC shares and warrants issued at closing will be increased by the number of additional AHI shares and warrants issued between November 23, 2015 and closing of the Acquisition.

The proposed Acquisition is being used by AHC to file for listing on the Canadian Securities Exchange (“CSE”). Completion of the Acquisition is subject to approval of the CSE.