

Financial Statements of

**ALTERNATE HEALTH CORP.**

December 31, 2014

# ALTERNATE HEALTH CORP.

Financial Statements

December 31, 2014

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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Alternate Health Corp.

We have audited the accompanying financial statements of Alternate Health Corp., which comprise the statement of financial position as at December 31, 2014, and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alternate Health Corp. as at December 31, 2014, and its financial performance for the year then ended in accordance with International Financial Reporting Standards.

Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

Markham, Ontario  
November 25, 2015

# ALTERNATE HEALTH CORP.

## Statement of Financial Position

As at December 31, 2014

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### ASSETS

#### Current asset

Accounts receivable	\$	1
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### SHAREHOLDERS' EQUITY

#### Shareholders' equity

Share capital (note 3)	\$	1
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See accompanying notes to financial statements

Approved on behalf of the board of directors

Bobby Curtola, Director

James Griffiths, Director

# ALTERNATE HEALTH CORP.

## Statement of Changes in Equity

For the year ended December 31, 2014

	Share capital	Retained earnings	Total
Balance, October 25, 2014	\$ -	\$ -	\$ -
Net earnings	-	-	-
Shares issued	1	-	1
Balance, December 31, 2014	\$ 1	\$ -	\$ 1

See accompanying notes to financial statements

# ALTERNATE HEALTH CORP.

## Notes to Financial Statements

December 31, 2014

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### 1. Nature of operations

Alternate Health Corp. (“AHC” or “the Company”) is a privately held, British Columbia company incorporated on October 26, 2014 under the Business Corporations Act of British Columbia, Canada as 1017344 BC Ltd.

The head office, principal address, records office and registered address of the Company are located at 309 – 1485 6th Ave West, Vancouver, British Columbia, Canada, V6H 4G1.

These financial statements were authorized by the Board of Directors of the Company on November 25, 2015.

### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant policies are detailed as follows:

#### (a) Statement of Compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the IFRS Interpretations Committee (“IFRIC”).

#### (b) Basis of presentation

These financial statements have been prepared on a historical cost basis.

#### (c) Functional currency

The Company and its subsidiary’s functional and reporting currency as determined by management, is the Canadian dollar.

#### (d) Standards issued but not yet effective

IFRS 9 Financial Instruments (“IFRS 9”) covers the classification and measurement of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018, with earlier application permitted. The Company is still assessing the impact of adopting IFRS 9. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

# ALTERNATE HEALTH CORP.

## Notes to Financial Statements

December 31, 2014

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### 3. Share capital

#### Authorized

Unlimited number of common shares without par value.

#### Issued

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December 31, 2014	1	\$	1
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### 4. Plan of arrangement and Subsequent events

#### (a) Plan of arrangement

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. ("Riske"). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

Final Court Order approving the Arrangement was received by Riske on December 3, 2014. Under the terms of the Arrangement: (i) Riske will transfer to the Company all of its interest in a letter of intent with Fusion Business Group and \$1,000 cash; and (ii) the Company will issue 396,600 Common Shares to the shareholders of Riske. By resolution of the board of directors of Riske, the Closing of the transaction and Effective Date of Arrangement as it pertains to the Company was deemed to have occurred on April 15, 2015. The letter of intent with Fusion Business Group was cancelled on April 15, 2015.

Following completion of the Arrangement Agreement, the Company became a reporting issuer subsequent to the end of the period.

#### (b) Related party advance

Subsequent to December 31, 2014 Alternate Health Inc. advanced \$76,000 to AHC to fund a paying agent arrangement

# ALTERNATE HEALTH CORP.

## Notes to Financial Statements

December 31, 2014

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### 4. Plan of arrangement and Subsequent events (continued)

#### (c) Share exchange agreement

On November 23, 2015, the Company, its shareholders and Alternate Health Inc. (“AHI”), an arms’ length company signed a definitive shareexchange agreement to complete a proposed acquisition of AHI by the Company (the “Share Exchange Agreement”). Pursuant to the terms of the Share Exchange Agreement, the Company will acquire all of the issued and outstanding shares of AHI in exchange for issuance of the Company shares 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 the Company (the “Acquisition”). Pursuant to the terms of the proposed Acquisition, the Company will issue 29,970,000 shares to the shareholders of AHI for the Acquisition, resulting in AHI becoming a wholly-owned subsidiary of the Company. Warrants of the Company will also be issued to/exchanged with the holders of warrants of AHI.

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

As of June 30, 2015, \$23,366 of acquisition costs were incurred in connection to this transaction.