QUANTUM INTERNATIONAL INCOME CORP

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended February 29, 2016 and February 28, 2015

MAZARS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
QUANTUM INTERNATIONAL INCOME CORP

We have audited the accompanying consolidated financial statements of **QUANTUM INTERNATIONAL INCOME CORP**, which comprise the consolidated statements of financial position as at February 29, 2016 and February 28, 2015, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **QUANTUM INTERNATIONAL INCOME CORP** as at February 29, 2016 and February 28, 2015, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2[(a)] of the consolidated financial statements which indicates that the Corporation incurred significant operating losses, has a working capital deficiency and has failed to satisfy the release conditions prior to the release deadline of the bought deal financing. These conditions, along with other matters as set forth in Note 2[(a)], indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Mazars Harel Drouin, LLP

Chartered Professional Accountants
Licensed Public Accountants

Montréal, July 15, 2016

QUANTUM INTERNATIONAL INCOME CORP

Consolidated Statements of Financial Position

(All amounts in U.S. dollars)

	February 29, 2016 $	February 28, 2015 $
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	211,506	520,594
Accounts receivable (Note 6)	634,631	513,117
Medical supplies	115,645	59,238
Prepaid expenses and other	69,865	38,347
Balance receivable from divesture of Anesthesia (Note 4)	39,500	-
Total current assets	1,071,147	1,131,296
Non-current assets		
Advances to related parties	-	9,713
Long-term deposits	96,672	169,404
Property and equipment (Note 7)	1,266,445	1,532,556
Intangible assets (Note 8)	1,006,361	1,788,714
Goodwill (Note 8)	-	131,376
Total non-current assets	2,369,478	3,631,763
TOTAL ASSETS	3,440,625	4,763,059
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other liabilities	4,948,819	2,058,122
Loans payable (Note 9)	513,363	-
Current portion of lease obligation (Note 10)	21,358	19,908
Income tax payable	-	2,614
Total current liabilities	5,483,540	2,080,644
Lease obligation net of current portion (Note 10)	23,061	42,701
Total liabilities	5,506,601	2,123,345
Equity		
Share capital (Note 11)	19,532,556	13,405,158
Contributed surplus (Note 11)	1,110,740	732,342
Accumulated other comprehensive income	2,093,858	2,107,318
Deficit	(24,820,703)	(13,701,500)
Equity attributable to owners	(2,083,549)	2,543,318
Non-controlling interest	17,573	96,396
Total equity	(2,065,976)	2,639,714
TOTAL LIABILITIES AND EQUITY	3,440,625	4,763,059

ON BEHALF OF THE BOARD

(signed) Manu Sekhri — Manu Sekhri, Director

(signed) Peter Shippen — Peter Shippen, Director

The accompanying notes are an integral part of these consolidated financial statements

QUANTUM INTERNATIONAL INCOME CORP
Consolidated Statements of Comprehensive Loss
(All amounts in U.S. dollars)

	February 29, 2016 (366 days) $	**February 28, 2015 (365 days) $**
Revenue		
Patient revenue	2,346,313	223,674
Net licensing revenue	67,970	89,374
Management fees	160,929	-
	2,575,212	313,048
Operating and other expenses		
General and administrative expenses (Note 13)	(13,702,657)	(4,152,411)
Finance income	-	2,885
Finance costs	(173,577)	(11,250)
Gain on foreign exchange	93,112	33,682
	(13,783,122)	(4,127,094)
LOSS BEFORE TAXES	(11,207,910)	(3,814,046)
Income taxes (Note 15)		
Current	6,767	-
NET LOSS	(11,201,143)	(3,814,046)
Attributable to:		
Owners	(11,119,203)	(3,741,409)
Non-controlling interest	(81,940)	(72,637)
	(11,201,143)	(3,814,046)
Other comprehensive loss		
Foreign currency translation reserve	(10,343)	(14,620)
NET LOSS AND COMPREHENSIVE LOSS	(11,211,486)	(3,828,666)
Attributable to:		
Owners	(11,132,663)	(3,730,672)
Non-controlling interest	(78,823)	(97,994)
	(11,211,486)	(3,828,666)
Loss per share attributable to owners		
Basic and diluted (Note 16)	(0.15)	(0.11)
Weighted average number of common shares issued and outstanding (Note 16)	75,425,600	34,017,026

The accompanying notes are an integral part of these consolidated financial statements

QUANTUM INTERNATIONAL INCOME CORP

Consolidated Statements of Changes in Equity

(All amounts in U.S. dollars)

	Attributable to Owners						
	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$
Balance as at February 28, 2014	6,752,638	657,731	(9,960,091)	2,096,581	(453,141)	-	(453,141)
Equity issuance (Note 11)	6,939,844	-	-	-	6,939,844	-	6,939,844
Share based payments (Note 11)	15,998	74,611	-	-	90,609	-	90,609
Warrants exercised (Note 11)	376,845	-	-	-	376,845	-	376,845
Share issuance costs (Note 11)	(680,167)	-	-	-	(680,167)	-	(680,167)
Acquisitions (Note 4)	-	-	-	-	-	194,390	194,390
Net loss for the period	-	-	(3,741,409)	-	(3,741,409)	(72,637)	(3,814,046)
Foreign currency translation reserve	-	-	-	10,737	10,737	(25,357)	(14,620)
Balance as at February 28, 2015	13,405,158	732,342	(13,701,500)	2,107,318	2,543,318	96,396	2,639,714
Equity issuance (Note 11)	3,094,462	-	-	-	3,094,462	-	3,094,462
Warrants exercised (Note 11)	1,471,641	-	-	-	1,471,641	-	1,471,641
Shares issued for Anesthesia Acquistion (Note 4)	2,972,313	-	-	-	2,972,313	-	2,972,313
Shares issued for credit facility agreement (Note 11)	8,250	-	-	-	8,250	-	8,250
Warrants issued for credit facility agreement (Note 11)	-	5,500	-	-	5,500	-	5,500
Share-based payments (Note 11)	-	372,898	-	-	372,898	-	372,898
Option to cancel shares relating to Anesthesia (Note 4)	(135,000)	-	-	-	(135,000)	-	(135,000)
Share Issuance costs (Note 11)	(1,284,268)	-	-	-	(1,284,268)	-	(1,284,268)
Net loss for the period	-	-	(11,119,203)	-	(11,119,203)	(81,940)	(11,201,143)
Foreign currency translation reserve	-	-	-	(13,460)	(13,460)	3,117	(10,343)
Balance as at February 29, 2016	19,532,556	1,110,740	(24,820,703)	2,093,858	(2,083,549)	17,573	(2,065,976)

The accompanying notes are an integral part of these consolidated statements

QUANTUM INTERNATIONAL INCOME CORP
Consolidated Statements of Cash Flows
(All amounts in U.S. dollars)

	February 29, 2016 (366 days) $	February 28, 2015 (365 days) $
OPERATING ACTIVITIES		
Net loss	(11,201,143)	(3,814,046)
Items not affecting cash		
Amortization of property, equipment and intangible assets	577,299	234,670
Impairment of ASC operating license	612,000	-
Impairment of goodwill	131,376	-
Impairment of loans and advance deposits	1,244,854	-
Net loss on divestiture of Anesthesia (Note 4)	2,357,061	-
Net loss on disposal of equipment	3,679	72,000
Net change in non-cash operating working capital (Note 19)	2,181,318	949,489
Stock-based compensation	386,648	18,387
Cash flows used in operating activities	(3,706,908)	(2,539,500)
INVESTING ACTIVITIES		
Acquisition of MME interest, net of cash acquired (Note 4)	-	27,546
Purchase of Roseland Assets (Note 4)	-	(3,300,000)
License transfer costs (Note 4)	-	(58,000)
Deposit on acquisition	(1,163,141)	-
Long-term deposit	-	(169,404)
Additions to property and equipment	(58,913)	(199,198)
Proceeds from disposal of property and equipment	13,476	-
Advances to related parties	732	-
Proceeds from disposition of Anesthesia (Note 4)	341,675	-
Cash flows used in investing activities	(866,171)	(3,699,056)
FINANCING ACTIVITIES		
Cash held in trust	(7,520)	
Net proceeds from loans payable	1,549,478	-
Repayments of loans payable	(1,036,115)	-
Finance lease repayment	(18,190)	(1,591)
Proceeds from equity issuance (Note 11)	3,094,462	6,939,844
Share issuance costs (Note 11)	(786,942)	(607,944)
Proceeds from warrants exercised (Note 11)	1,471,641	376,845
Cash flows from financing activities	4,266,814	6,707,154
Net change in cash and cash equivalents	(306,265)	468,598
Cash and cash equivalents, beginning of period	520,594	46,017
Foreign exchange impact on cash	(10,343)	5,979
Cash and cash equivalents, end of period (Note 5)	203,986	520,594
Supplemental information		
Interest paid	(75,767)	(145,391)
Interest received	891	2,885

The accompanying notes are an integral part of these consolidated financial statements

(amounts in U.S. dollars, unless otherwise stated)

1. REPORTING ENTITY

Quantum International Income Corp ("Quantum" or the "Company") intends to seek opportunities to acquire and grow businesses in order to generate stable distributions for its shareholders, along with capital appreciation. The Company will seek to acquire operating businesses with a proven track record, an opportunity for growth and whose management wishes to continue to operate the business going forward. The Company's investment approach will be to grow through the acquisition of "platform" businesses that are consistent with its business strategy and acquisition criteria and then to continue to build revenues and earnings within these businesses. Potential acquisition targets may be private or public companies in a variety of industries, including US Healthcare, thereby allowing for diversification. Acquisition of all or a majority of the ownership of each such business is preferred. Value will be created by seeking out high growth, high margin opportunities where the acquired businesses can maintain and develop the deep knowledge, expertise and understanding of their customers' needs required to deliver superior service and command higher pricing and margins than the competition.

The investment in Multiple Media Entertainment Inc. ("MME") and the acquisition of the Roseland assets described in Note 4 were completed effective August 28, 2014 in connection with a change of business transaction. Reactivation on the TSX Venture Exchange (the "Exchange") occurred on September 24, 2014.

Effective March 14, 2014, the name of the Company changed from "E.G. Capital Inc." to "Quantum International Income Corp".

The primary office is located at 79 Wellington St. West, Suite 1630, Toronto ON, M5K 1H1.

The consolidated financial statements of the Company as at February 29, 2016 and February 28, 2015 (except for DA Management NJ Inc.) comprise the Company and its subsidiaries (collectively the "Group"). The Company's operating subsidiaries and ownership interests are as follows:

	Ownership interest
Multiple Media Entertainment Inc. ("MME")	66.7%
Quantum CSS Holdings Corp ("CSS-H")	100 %
Centers for Special Surgery, LLC ("CSS")	50 %
Center for Special Surgery of Essex County, LLC ("CSS-Essex")	50 %
Provmark, LLC ("Provmark")	100 %
DA Management NJ Inc.	100 %

MME is incorporated in Ontario, CSS is a Delaware limited liability company, CSS-Essex is a New Jersey limited liability company, Provmark is a Florida limited liability company, and DA Management NJ, Inc. is a New Jersey corporation.

2. BASIS OF PREPARATION

(a) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

As at February 29, 2016, the Company had a working capital deficiency of $4,412,393 (2015 – $949,348) and an accumulated deficit of $24,820,703 (2015 - $13,117,661) and during the year the company failed to satisfy the release conditions prior to the release deadline of the bought deal financing (Note 11).

The continuation of the Company as a going concern is dependent upon its ability to ultimately attain profitable operations and to obtain financing under the credit facility agreement (Note 9). Whether and when the company the Company can attain profitability and positive cash flow is uncertain. While the company has been successful in securing financing, there is uncertainty whether financing will be available in the future in terms acceptable to the Company. Accordingly, there is a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(b) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors on July 15, 2016.

(c) Basis of measurement

These consolidated financial statements have been prepared on an accrual basis and under the historical cost basis except as permitted by IFRS and as otherwise indicated within these notes.

(d) Functional and presentation currency

The Company's consolidated financial statements are presented in United States dollars, which is also the Group's functional currency. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(e) Basis of consolidation

The Company uses the direct method of consolidation.

The consolidated financial statements comprise the accounts of the Company and its subsidiaries.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(f) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

i) the fair value of assets and liabilities acquired (Note 4),
ii) the fair value of warrants issued in settlement of agent's fees (Note 11), and
iii) deferred tax assets that are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized
iv) useful lives and recoverable values of property and equipment and intangible assets
v) patient revenue is estimated in the period in which the related services are rendered. The amount is adjusted as required in subsequent periods based on final settlements and collections.
vi) valuation of stock-based compensation
vii) control over CSS and CSS-Essex due to reasons other than percentage of ownership (Note 3)
viii) fair value of financial instruments

3. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

These consolidated financial statements include the accounts of the Company and all domestic and foreign subsidiary companies. Subsidiaries are those entities which the Company controls by having the power to direct the financial and operating activities and has exposure, or rights, to variable returns from those activities. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents and excludes cash held in trust.

Translation of foreign currencies

Earnings of operations are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency at the average rate of exchange prevailing during the month the transaction occurs. Monetary assets and liabilities are translated at the period end rate and any resulting gains and losses are included in the net earnings of the foreign operations.

On consolidation, earnings of operations whose functional currency differs from the USD are translated using the average rate of exchange prevailing during the period. Assets and liabilities are translated at the exchange rate in effect at each period end. The difference between translating assets and liabilities of operations whose functional currency is not the USD at period end rates, and the exchange rates on the date of acquisition of those assets and liabilities is included in Other Comprehensive Income as a foreign currency translation adjustment.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Change in functional currency and presentation currency

Following Quantum becoming the parent company of CSS, on September 1, 2014, management have concluded that the most appropriate functional currency of the Company would be the US dollar ("USD"). This reflects the fact that the majority of the Group's business is influenced by economic environment denominated in USD currency as well as, the Company will retain distributable in USD. The previous functional currency of the Company was the Canadian dollar ("CAD").

In accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates, a change in functional currency is accounted for prospectively. Therefore, on the date of the change of functional currency all assets and liabilities were translated into USD at the exchange rate on that date. Income and expenses were translated into USD at an average rate for the period. Share capital, contributed surplus and other components of equity were translated at the rate of exchange prevailing at date of each equity transaction.

As a result of the functional currency change, the Company has decided to change its presentation currency to USD. Presentation currency change represents a voluntary change in accounting policy and in accordance to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, is accounted for retrospectively. As a result, the Company has restated its comparative periods to USD.

The comparative periods translation procedures were as follows:
- assets and liabilities were translated into USD at each period-end closing rate of exchange;
- income and expenses were translated into USD at average rates of exchange for each period as the average rate was considered a suitable proxy for the prevailing rates at the date of the transactions;
- differences resulting from the retranslation on the opening net assets and the results for each period have been taken to other comprehensive income ("OCI");
- share capital, contributed surplus and other reserves were translated at the rate of exchange prevailing at each equity transaction date; and
- accumulated retained losses were translated at the average rates of exchange for each period from the IFRS changeover date.

The CAD to USD exchange rates used were:

(amounts in U.S. dollars, unless otherwise stated)

	February 28, 2015 $	February 28, 2014 $	March 1, 2013 $
Average rate	0.8904	0.9565	-
Closing rate	0.7995	0.9029	0.9723

Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.
Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value, using the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives for depreciation purposes are as follows:

Medical equipment	5-10 years
Office furniture and equipment	5-10 years
Vehicles	5 years
Computer equipment	2-5 years
Leasehold improvements	Lease term

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Assets acquired under finance leases are capitalized and depreciated based on the shorter of the remaining useful life of the assets or the length of the lease.

Operating lease payments are recognized as an operating expense in the statement of comprehensive loss on a straight-line basis over the lease term.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The estimated useful lives of intangible assets are as follows:

ASC operating licenses	11 years
Anesthesia Management Service Agreement	5 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of loss and comprehensive loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill
On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds such net assets. Goodwill arising on acquisitions is capitalized and subject to impairment review, both annually and when there are indications

that the carrying value may not be recoverable. Goodwill is allocated to cash-generating units for the purpose of this impairment testing.

Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Company uses a fair value-based method of accounting for stock options granted to employees, directors, and non-employees. The fair value of the award is determined using the Black-Scholes option pricing model on the date of the grant for employees and fair market value of services rendered for non-employees. For awards with graded vesting, the fair value of each tranche, adjusted for expected forfeitures, is recognized over its respective vesting period as an increase in stock-based compensation expense and the contributed surplus account. When such stock options are exercised, the proceeds received by the Company, together with the respective amount previously recorded in contributed surplus, are credited to share capital.

Revenue

Patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

Revenue from licensing in relations to broadcast agreements of media content is recognized when the risks and rewards of ownership of the goods are transferred, no continuing managerial involvement or control exists and when the revenue can be measured reliably. The Company records revenue on a net basis for licensing as they are acting as an agent.

Revenue from management fees is recognized in the month in which services are performed in accordance with the terms of the management contract.

Revenue is recognized when performance of services has been completed and collection of amounts billed is reasonably assured.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, public company and head office expenses, and income tax assets and liabilities.

Medical supplies

Medical supplies consist of various surgical supplies and medications and are valued at the lower of cost or net realizable value.

Financial assets

Financial assets are classified in one of the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets are initially recognized at fair value plus directly attributable transaction costs in the case of financial assets not at fair value through income. Subsequent remeasurement of financial assets is determined by their designation, which is reassessed at each reporting date.

Financial assets at fair value through profit or loss
A financial asset is classified as fair value through profit and loss ("FVTPL") if acquired principally for the purpose of selling in the short-term.

Subsequent to initial measurement, they are carried at fair value and all gains and losses realized and unrealized are recognized in the consolidated statement of comprehensive loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

Loans and receivables are initially recognized at the amount expected to be received less a discount to reflect the time value of money. Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest method less appropriate allowances for doubtful accounts.

Available-for-sale financial assets
Available-for-sale financial assets are financial assets that are either designated in this category or not classified in any of the other categories.

Financial liabilities

Financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial measurement, financial liabilities are recognized at amortized cost. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the consolidated statement of income over the contractual term using the effective interest rate method.

Financial liabilities at amortized cost are further classified as current or non-current depending on whether these fall due within twelve months after the balance sheet date or beyond. Financial liabilities are derecognized when either the Group is discharged from its obligation or the liability expires, is cancelled or replaced by a new liability with substantially modified terms.

New standards and interpretations not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 29, 2016, and have not been applied in preparing these consolidated financial statements:

IFRS 9, *Financial instruments* ("IFRS 9")

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 9 on its consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

In May 2014, the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) issued their joint revenue recognition standard, IFRS 15, *Revenue from Contracts with Customers*, which replaces all existing IFRS and US GAAP revenue requirements.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

Application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted under IFRS. The Company is currently assessing the impact of IFRS 15 on its consolidated financial statements.

IFRS 16, *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16") which replaces IAS 17, *Leases* and its associated 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 remains similar to current accounting practice.

The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

(amounts in U.S. dollars, unless otherwise stated)

4. ACQUISITIONS AND DIVESTITURES

INVESTMENT IN MME

On August 28, 2014 Quantum completed a subscription for securities in the capital of MME that carry a voting interest in MME equivalent to two-thirds of the issued and outstanding voting securities (the "MME Interest"). The consideration paid by Quantum for the MME Interest was $459,850 ($500,000 CDN).

MME is a full service media content and distribution company headquartered in Toronto, Ontario. As a result of the acquisition, Quantum expects its capital investment to be used to grow the business of MME through acquisition of commercially viable content that can be exploited over and across multiple distribution windows, licensing periods, media, merchandising and licensing platforms.

The business combination is being accounted for by applying the acquisition method. The following table summarizes the consideration paid and the recognized amounts of identifiable assets acquired and liabilities assumed as well as the non-controlling interest in MME at the acquisition date. The non-controlling interest has been measured under the proportionate interest model at one-third of the identifiable net assets.

The MME purchase price allocation is presented below:

	$
Cash and cash equivalents	487,396
Trade and other receivables	222,629
Equipment	7,448
Other non-current assets	12,763
Goodwill	151,071
Trade and other payables	(267,067)
Non-controlling interest	(154,390)
Fair value of net assets acquired	459,850

Cash and cash equivalents includes the Quantum investment in MME of $459,850.

Goodwill recognized on the acquisition relates to the expected growth and cost synergies which cannot be separately recognized as an intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

Based on management's assessment, there are no identifiable intangible assets in MME that would be recognized and accounted for independently from goodwill.

Had the acquisition occurred on March 1, 2014, MME would have contributed $213,234 to the Group's revenue for the year ended February 28, 2015. The impact on the Group's net loss would have been immaterial. These amounts have been determined by applying the Group's accounting policies.

(amounts in U.S. dollars, unless otherwise stated)

DIVESTITURE FROM MME

During the year, the Company undertook an initiative to divest its interest in MME through a share buyback agreement.

On March 19, 2015 the CRTC released its decision that would allow subscribers to purchase cable content through pick-and-pay options. The ruling becomes mandatory starting December 2016 and could adversely affect MME business of bundling content. Following the decision, MME was not able to produce meaningful results and after declining performance, management has decided to impair the cash-generating unit and divest from it.

During the year, the Company executed a share buyback plan but was unable to follow through with this plan as MME is insolvent. Thus, the impairment charge is as follows:

	Carrying Amount	**Impairment Charge**
	$	**$**
Advances to related parties	8,981	(8,981)
Property and equipment	380	(380)
Goodwill	131,376	(131,376)
	140,737	(140,737)

ACQUISITION OF ROSELAND ASSETS AND INVESTMENT IN CSS

On August 28, 2014, Quantum closed an asset purchase agreement with Roseland Ambulatory Surgery Center, LLC to purchase assets ("Roseland Assets") including its exclusive ASC license, surgical equipment and supplies on site. The purchase price for the assets was $3,300,000.

In addition the Company paid license transfer costs of $58,000 which are included in the cost of the ASC license in intangible assets.

The purchase price allocation resulting from the Roseland Assets purchase is as follows:

	$
ASC License	1,815,891
Medical Equipment	1,092,583
Leasehold Improvements	250,000
Computer and Electronics	56,726
Office Furniture and Equipment	54,800
Plant and Equipment	30,000
Consideration paid	3,300,000

In addition the Company paid license transfer costs of $58,000 which are included in the cost of the ASC license in intangible assets.

On August 5, 2014, Quantum, via its wholly owned subsidiary Quantum CSS Holdings Corp, entered into a limited liability company operating agreement with DGAT Partners (“DGAT”), an affiliate of a medical group (“NYCSA”) practice based in New York, to form Centers for Special Surgery, LLC ("CSS"), a Delaware limited liability company. A wholly-owned subsidiary of CSS, Center for Special Surgery of Essex County, LLC ("CSS-Essex"), a New Jersey limited liability company, ultimately completed the acquisition of the Roseland Assets.

Quantum and DGAT initially capitalized CSS with an investment of $4,000,000 comprised of $3,950,000 debt from Quantum (the "Debt Advance") and equity from both Quantum and DGAT of $10,000 and $40,000 respectively, which was used to complete the acquisition of the Roseland Assets and fund initial working capital requirements of CSS-Essex.

INVESTMENT IN ANESTHESIA

On May 27, 2015, the Company announced that it created a purpose built subsidiary, Quantum Anesthesia Management LLC., to acquire all the common shares of DA Management NJ Inc.

DA Management NJ Inc. is an anesthesia company with anesthesia administration contracts at all of NYCSA’s New York and New Jersey office based clinics as well as the initial CSS facility in Essex County.

The Company issued 9,000,000 common shares as consideration for this transaction on July 23, 2015, the fair value of consideration paid was CAD $0.41($0.33 USD) per share which was the price of the Company’s shares on July 2, 2015 the date when all conditions for the transaction have been met. The entire purchase price was allocated to the single intangible asset purchased with DA Management NJ Inc. – the administration service agreement in the amount of $2,972,313. The transaction took effect on July 1, 2015.
It was impractical to determine what the revenue and expenses of the acquisition would have been had the transaction taken place on March 1, 2015.

DIVESTITURE OF ANESTHESIA

On January 19, 2016, the Company announced that it entered into a definitive agreement with DGAT Partners, LLC and certain other affiliates, pursuant to which the Company will sell, and affiliates of DGAT will acquire, the entirety of the Company’s 100% indirect interest in DA Management NJ Inc., the subsidiary through which the Company indirectly administered anesthesia services at its CSS subsidiary and other locations. Through its wholly-owned subsidiary Quantum Anesthesia Management Corp., the Company will receive, in consideration for the sale, a cash payment of $238,000, $182,175 for CSS expenses and an irrevocable option to cancel, for no additional consideration payable, 9,000,000 common shares of the Company which had been previously issued to affiliates of DGAT. The option to cancel is valued at the estimated fair value of $135,000 and is charged against share capital.

As at February 29, 2016, $39,000 was written off the sale price balance as it was deemed uncollectible.

(amounts in U.S. dollars, unless otherwise stated)

5. CASH AND CASH EQUIVALENTS

	February 29, 2016 $	February 28, 2015 $
Cash	203,986	480,621
Cash held in trust	7,520	-
Guaranteed investment certificates	-	39,973
	211,506	520,594

6. ACCOUNTS RECEIVABLE

	February 29, 2016 $	February 28, 2015 $
Trade receivables	618,774	484,654
Sales taxes recoverable	-	28,463
Other	15,857	-
	634,631	513,117

Current	148,473	385,830
Past due 1 to 3 months	208,779	51,952
Past due 3 to 6 months	167,355	46,872
Past due more than 6 months	94,167	-
Trade receivables	618,774	484,654

The amounts actually collected by the Company from third-party payors are subject to variability due to the nature of out of network payor environment.

Management reviews and evaluates historical final settlements on a periodic basis and adjusts the estimated collections on an individual billings basis as required in subsequent periods.

(amounts in U.S. dollars, unless otherwise stated)

7. PROPERTY AND EQUIPMENT

February 28, 2015

	Leasehold improvements	Machinery & equipment	Medical equipment	Vehicles	Office furniture & fixtures	Computers	Total
Cost							
Opening balance	-	-	-	-	-	-	-
Additions	-	55,489	195,128	16,741	7,724	42,317	317,399
Business acquisitions (Note 4)	250,000	30,000	1,092,583	-	61,341	56,726	1,490,650
Disposals	-	-	(140,000)	-	-	-	(140,000)
Ending balance	250,000	85,489	1,147,711	16,741	69,065	99,043	1,668,049
Accumulated Depreciation							
Opening balance	-	-	-	-	-	-	-
Depreciation	(11,364)	(7,094)	(115,618)	(1,395)	(5,040)	(8,982)	(149,493)
Disposals	-	-	14,000	-	-	-	14,000
Ending balance	(11,364)	(7,094)	(101,618)	(1,395)	(5,040)	(8,982)	(135,493)
Net book value	238,636	78,395	1,046,093	15,346	64,025	90,061	1,532,556

February 29, 2016

	Leasehold improvements	Machinery & equipment	Medical Equipment	Vehicles	Office furniture & fixtures	Computers	Total
Cost							
Opening balance	250,000	85,489	1,147,711	16,741	69,065	99,043	1,668,049
Additions	-	26,337	32,576	-	-	-	58,913
Disposals	-	-	-	16,741	4,842	-	21,583
Ending Balance	250,000	111,826	1,180,287	-	64,223	99,043	1,705,379
Accumulated Depreciation							
Opening balance	(11,364)	(7,094)	(101,618)	(1,395)	(5,040)	(8,982)	(135,493)
Depreciation	(22,727)	(19,987)	(232,558)	(2,944)	(9,843)	(19,809)	(307,868)
Disposals		-	-	4,339	89	-	4,428
Ending Balance	(34,091)	(27,081)	(334,176)	-	(14,794)	(28,791)	(438,933)
Net book value	215,909	84,744	846,111	-	49,429	70,252	1,266,445

The net loss on disposal of property and equipment is included in general and administrative expenses.

(amounts in U.S. dollars, unless otherwise stated)

8. GOODWILL AND INTANGIBLES ASSETS

			February 28, 2015
	Goodwill	ASC License	Total
Cost			
Opening balance	-	-	-
Business acquisitions	151,071	1,873,891	2,024,962
Foreign exchange	(19,695)	-	(19,695)
Ending balance	131,376	1,873,891	2,005,267
Accumulated Depreciation			
Opening balance	-	-	-
Depreciation	-	(85,177)	(85,177)
Ending balance	-	(85,177)	(85,177)
Net book value	131,376	1,788,714	1,920,090

				February 28, 2016
	Goodwill	ASC License	Anesthesia service agreement	Total
Cost				
Opening balance	131,376	1,873,891		2,005,267
Business acquisitions			2,972,313	2,972,313
Disposals			(2,972,313)	(2,972,313)
Impairment	(131,376)	(612,000)	-	(743,376)
Ending balance	-	1,261,891	-	1,261,891
Accumulated Depreciation				
Opening balance	-	(85,177)	-	(85,177)
Depreciation	-	(170,353)	(99,078)	(269,431)
Disposals	-	-	99,078	99,078
Ending balance	-	(255,530)	-	(255,530)
Net book value	-	1,006,361	-	1,006,361

Please refer to Note 4 for further details.

9. LOANS PAYABLE

	February 29, 2016 $	February 28, 2015 $
Notes payable(1)	203,363	-
Promissory note (2)	310,000	-
	513,363	-

(1) On February 10, 2016, the Company and its wholly owned subsidiary Quantum US Healthcare Corp (the “Borrower”), together entered into a definitive facility agreement with a syndicate of lenders (the "Facility"), pursuant to which the Borrower is entitled to borrow up to an aggregate of $825,000 CDN. The lenders are also shareholders of the Company.

As at February 29, 2016, the remaining amount available under this credit facility is $550,000 CDN.

Additional loans in the aggregate principal amount of up to $5,175,000 CDN may be made available to the Company by the lenders pursuant to the Facility, but only on a discretionary basis at the option of the lenders, to fund potential acquisitions of the Company.

Advances to the Borrower under the Facility will be evidenced by the issuance of Notes of the Borrower in like principal amounts, which Notes will bear interest at 15% per annum, payable at maturity on January 31, 2017. Each Note will be exchangeable into common shares of the Company at the option of the holding lender thereof, at an exchange price that will be determined at the time of issuance of such common shares and will be based on the prevailing market price for the Company’s common shares at the time of this issuance, subject to customary adjustments and subject in all cases to the minimum pricing rules of the TSX Venture Exchange. The Borrower and the Company will also have the right to force exchange of any or all outstanding Notes concurrently with, or any time following, the closing by the Company, directly or indirectly, of an acquisition that meets certain criteria specified in the agreement governing the Facility.

The Notes are secured by a pledge by the Company of the entirety of its 100% interest in Quantum CSS Holdings Corp.

In connection with the securing of the Facility, the Company expects to pay finders and agents a commission equal to 10% of the Proceeds (75% of which is expected to be paid in common shares of the Company at a price per share equal to $0.05) and broker warrants to acquire such number of common shares of the issuer as is equal to 10% of the number of common shares which may be issuable upon the exchange of outstanding Notes.

(2) On October 2, 2015 the Company obtained a $300,000 unsecured promissory note from a third party. The note was issued at a discount for consideration of $250,000. The principal was to be repaid on October 31, 2015. The Company did not repay the principal amount to the Lender on or before October 31, 2015, therefore the Principal Amount was deemed to be $310,000. If the Company repaid the principal amount on or before the maturity date, the interest rate was to be 0% per annum.

After the maturity date, the principal amount outstanding at any time, and from time to time, and any overdue interest, shall bear interest at 15% per annum, both before and after demand, default, and judgment. Such interest shall be calculated monthly not in advance when not in default and, after default, payable on demand.

As at February 29, 2016, the total interest that has been accrued is $15,500.

(amounts in U.S. dollars, unless otherwise stated)

10. LEASE OBLIGATION

Property and equipment includes medical equipment assets under finance lease with a cost of $118,200 (February 28, 2015 - $118,200) and a net book value of $92,590 (February 28, 2015 - $116,230).

Lease Commitments	$
2016	24,034
2017	24,033
Total lease commitments	48,067
Less interest	(3,648)
Present value of commitment	44,419

11. CAPITAL AND OTHER COMPONENTS OF EQUITY

Share capital

The authorized share capital of the Company consists of an unlimited number of voting common shares without par value.

	Common Shares	Warrants	Share Capital
Balance as at February 28, 2014	19,014,974	-	$ 6,752,638
Share consolidation	(17,114,869)	-	-
Equity issuance	41,640,128	24,233,994	6,939,844
Warrants exercised	4,622,500	(4,622,500)	376,845
Share issuance costs	-	-	(680,167)
Stock based payments	360,000	-	15,998
Balance as of February 28, 2015	**48,522,733**	**19,611,494**	**$ 13,405,158**
Equity issuance	9,524,000	4,762,000	3,094,462
Warrants exercised	18,577,500	(18,577,500)	1,471,641
Share issuance costs			(1,284,268)
Equity issuance as part of a business acquisition	9,000,000		2,972,313
Option to cancel shares relatingto Anesthesia			(135,000)
Stock based payments	412,500	550,000	8,250
Balance as of February 29, 2016	**86,036,733**	**6,345,994**	**19,532,556**

Share consolidation

On March 14, 2014, the Company completed a one for ten consolidation of its common shares. The 19,014,974 common shares issued and outstanding prior to the consolidation have been consolidated to approximately 1,900,105 common shares.

Equity issuance

In March 2014, 23,200,000 Units were sold at a price of $0.05 CAD (0.04 USD) per Unit for gross cash proceeds of $1,037,620. Each Unit is comprised of one common share in the capital of the Company ("Unit Shares") and one common share purchase warrant ("Warrants"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.10 CAD ($0.09 USD) per common share for a period of 12 months after the date of the issue of the Warrants.

In August 2014, the Company closed a private placement for gross proceeds of $5,902,224 comprising 18,440,128 subscription receipts exercisable into 18,440,128 common shares at $0.35 CAD ($0.32 USD) per share.

In July 2015, the Company issued 9,000,000 common shares at CAD $0.41 ($0.33 USD) for consideration of the Anesthesia Acquisition (Note 4).

Bought deal offering

On June 17, 2015, the Company announced that it entered into an agreement with Mackie Research Capital Corporation ("Mackie"), as lead underwriter and sole bookrunner on behalf of a syndicate, for the sale on a "bought deal" basis of 47,620,000 subscription receipts of the Company at a price of CAD $0.42 per subscription receipt for gross proceeds of CAD $20,000,400. Each subscription receipt converts into one common share and one-half of one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one common share for an exercise price of CAD $0.65 per warrant for a period of 24 months following the closing. The Company will pay the underwriter a cash commission equal to 6.5% of the gross proceeds of the offering, as additional compensation for the services of the underwriter the Company will grant the underwriter compensation options exercisable at any time up to 24 months following the closing to purchase that number of securities of the Company such number of subscription receipts that is equal to 6.5% of the number of subscription receipts issued pursuant to the bought deal offering.

As part of the bought deal offering, the underwriter agreement included a clause requiring the release of the first tranche of funds to the Company upon the filing of the final prospectus with the regulatory bodies. On July 28, 2015, the Company announced that it has filed the final prospectus in relation to the bought deal offering and obtained the first tranche of proceeds of $3,094,462 to be used for working capital purposes with the issuance of 9,524,000 shares and 4,762,000 warrants.

On October 28, 2015, the Company announced that further to its prospectus offering (the "Offering") of 47,620,000 subscription receipts of the Company ("Subscription Receipts") at a price of CAD $0.42 per Subscription Receipt (the "Offering Price"), which closed on July 28, 2015 (the "Closing Date"), the Company was not able to satisfy the release conditions prior to the release date of October 26, 2015. Accordingly, the Company is obligated to return to the holders of 38,096,000 Subscription Receipts an amount equal to the Offering Price per Subscription Receipt. The Company is currently working with the subscription receipt agent to satisfy this obligation but does not expect to be in position to return an amount equal to the full Offering Price per Subscription Receipt.

The Company currently owes the subscription receipt holders the equivalent of $975,000 CDN and is reflected in accounts payable and accrued liabilities as at February 29, 2016.

As a result of not satisfying the release conditions of this bought deal financing, the Company was not in a position to complete the Proposed LTACH Acquisition.

Share issuance costs

The Company incurred $41,063 of share issuance costs associated with the March 2014 equity issuance. $25,065 was paid in cash and $15,998 was paid through common shares of the Company. The value of the shares was determined by the fair market value of the services provided.

The Company incurred $639,104 of share issuance costs associated with the August 2014 equity issuance. $582,880 was paid in cash and 1,033,994 warrants were granted in settlement of $56,224 of agent's commissions. Each warrant allows the holder to purchase one common share at CAD $0.35 ($0.32 USD) per share, for a 24 month period from the date of closing of the private placement. The warrants were valued at the estimated fair market value of the services rendered and charged to contributed surplus.

(amounts in U.S. dollars, unless otherwise stated)

The Company incurred $1,284,268 of share issuance costs associated with the bought deal financing announced June 17, 2015. The share issuance costs include 619,060 of underwriter options valued at $30,000. These underwriter options have not been issued as of February 29, 2016.

Share based payments

The Company paid a finder's fee in relation to the March 2014 private placement in the amount of $15,998 which was paid through the issuance of 360,000 additional common shares.

The fair market value of warrants issued in settlement of agent's commission in the amount of $56,224 was charged to contributed surplus during the period.
The Company paid a finder's fee in relation to the drawdowns on of the credit facility agreement on February 9, 2016 and February 18, 2016. The finder's fee included cash commission of $4,975, 412,500 common shares valued at $8,250 and 550,000 warrants valued at $5,500. The fair value of the warrants was charged to contributed surplus.

Warrants

During the year ended February 28, 2015, 4,622,500 warrants were exercised for the purchase of 4,622,500 common shares for the total proceeds of $376,845.

During the year, 18,577,500 warrants were exercised for the purchase of 18,577,500 common shares for total proceeds of $1,471,641.

As at February 29, 2016, the Company had outstanding warrants as follows:

Number of warrants	Exercise price (CAD)		Expiry
1,033,994	$	0.35	8/28/2016
4,762,000	$	0.65	7/28/2017
550,000	$	0.05	8/18/2017

Option to cancel shares relating to Anesthesia

As mentioned in note 4, the Company received an irrevocable option to cancel 9,000,000 common shares for no additional consideration. This option is valued at the estimated fair value of $135,000 and is charged against share capital.

12. SHARE OPTION PLAN

On November 21, 2013, the Company adopted a new "rolling" stock option plan which authorizes the Company to grant options to acquire up to 10% of its issued and outstanding Common Shares, from time to time. Specifically, the Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares from time to time, with no mandatory vesting provisions. The number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without disinterested shareholder approval.

(amounts in U.S. dollars, unless otherwise stated)

As part of investor relations agreement with KIN Communications, the Company has agreed to grant 400,000 stock options to the company for its services. The Company ended its investor relations agreement with KIN Communications on November 30, 2015 and the stock options expired following the termination of the agreement.

The company announced the grant of 500,000 options on December 14, 2014 to the CFO. The options vest 1/3 at issuance, 1/3 at the first anniversary of the grant, and 1/3 at the second anniversary.

The Company announced the grant of 7,525,000 options on August 21, 2015. Of the 7,525,000 options granted, 200,000 were previously approved but not granted due to the Company being under a blackout period. The options vest 1/3 at issuance, 1/3 at the first anniversary of the grant, and 1/3 at the second anniversary.

As at February 29, 2016, the Company had the following stock options outstanding:

Number Outstanding	**Number Vested**	**Grant Date**	**Expiry Date**	**Exercise Price (CAD)**	**Fair value at Grant Date**	**Fair value of Vested Options**	**Expected Volatility %**	**Expected Life**	**Expected Dividend Yield**	**Risk free Interest Rate**
500,000	333,333	December 10, 2014	December 10, 2019	0.35	55,147	16,617	44.45	5	0%	1.37%
200,000	66,667	August 21, 2015	August 21, 2020	0.35	22,687	8,975	71.28	5	0%	0.65%
7,325,000	2,441,667	August 21, 2015	August 21, 2020	0.42	768,791	347,306	71.28	5	0%	0.65%
8,025,000	2,481,667									

The following table summarizes the stock option activities:

	Number of Options #	**Weighted Average Exercise Price $CAD**
Balance – February 28, 2014	-	-
Granted	500,000	0.35
Balance – February 28, 2015	500,000	0.35
Granted	7,525,000	0.42
Balance as at February 29, 2016	8,025,000	0.41

The weighted average remaining contractual life of the outstanding options was 54 months as at February 29, 2016 (58 months as at February 28, 2015).

(amounts in U.S. dollars, unless otherwise stated)

13. GENERAL AND ADMINISTRATIVE EXPENSES

Components of general and administrative expenses:

	February 29, 2016 $	**February 28, 2015 $**
Professional and advisory fees	2,068,974	1,592,358
Deal charges and break fees	1,026,325	-
Management fees	716,499	623,831
Regulatory and filing fees	130,487	118,584
Salaries and benefits	1,537,238	485,646
Depreciation and amortization	577,299	234,670
General administrative expenses	2,407,481	946,557
Medical supplies expensed	355,557	60,378
Bad debt expense	160,929	-
Impairment of loans and advance deposits	1,244,854	-
Impairment of ASC operating license	612,000	-
Impairment of goodwill	131,376	-
Loss on disposal of Anesthesia (Note 4)	2,357,061	-
Loss on disposal of equipment	3,679	72,000
Stock based compensation	372,898	18,387
	13,702,657	4,152,411

14. IMPAIRMENT OF ASSETS

On May 25, 2015, the Company placed a $1,000,000 deposit in connection with the potential acquisition of a healthcare facility in the southeastern Unites States. During the period the Company transferred the deposit to IHS Haileah, a group of operators intending to operate the facility, for an unsecured loan bearing 15% interest with a $10 option to purchase IHS Haileah once funding to acquire the facility was in place. The Company also loaned $163,141 working capital funding to IHS Haileah. The Company was not successful in securing funding for the acquisition of the facility and is no longer pursuing this acquisition. The Company does not believe the loans to IHS Haileah are recoverable.

On May 19, 2015, the Company paid a deposit of $80,000 for a potential real estate acquisition of a healthcare building in Florida. The deposit was no longer recoverable and was written down.

For the year ended February 29, 2016, due to the current market conditions and the future outlook of the CSS operating segment, the Company determined that indicators of impairment existed. The Company recorded an impairment of the ASC operating license of $612,000.

In addition, CSS made an initial payment of $37,500 to acquire a software. CSS did not make the necessary remaining payments outlined in the agreement, therefore the initial payment was no longer recoverable and was written down.

(amounts in U.S. dollars, unless otherwise stated)

15. INCOME TAXES

The reported income tax provision differs from the amount computed by applying the Canadian statutory rate to the net income for the following reasons:

	February 29, 2016 $	February 28, 2015 $
Net accounting loss before income tax	(11,207,910)	(3,814,046)
Rate	**26.5%**	**26.5%**
Expected Canadian income tax expense (recovery)	(2,970,097)	(1,010,722)
Difference resulting from:		
Effect of tax rates in foreign jurisdictions	(684,378)	(180,126)
Permanent differences	194,008	47,728
Foreign exchange on opening deferred tax assets	212,733	144,433
Valuation allowance	3,756,824	996,618
Prior year adjustment	(506,464)	-
Other	(9,393)	2,069
Total income tax expense (recovery)	(6,767)	-

The expected income tax rate reflects the combined Federal and Provincial income tax rate.

The Company's deferred income tax assets and liabilities include the following significant components.

	February 29, 2016 $	February 28, 2015 $
Deferred income tax assets		
Non-capital losses	3,211,852	1,704,265
Capital losses	1,329,951	-
Unrealized losses	155,306	-
Financing fees	16,088	-
Share issue costs	365,626	144,195
Intangible and other assets	786,837	139,848
Property and equipment	205	1,506
Unclaimed R&D expenses	293,021	316,917
R&D tax credits	75,044	81,165
Income and expense reserves	161,064	39,820
	6,394,994	2,427,716
Deferred income tax liabilities		
Property and equipment	(1,485)	(522)
R&D tax credits	(19,887)	(21,509)
	(21,372)	(22,031)
Net deferred income tax assets (liabilities)	6,373,622	2,405,685
Less: valuation allowance	(6,373,622)	(2,405,685)

(amounts in U.S. dollars, unless otherwise stated)

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As at February 29, 2016, the Company has cumulative non-capital losses available to be carried forward in the following jurisdictions: Canada – $7,312,228, United States – $3,242,517, before non-controlling interests. The non-capital losses in Canada begin to expire in 2026. The net operating losses in the U.S. begin to expire in 2035. The Company also has net capital losses in Canada of $3,000,294 and in United States of $2,318,061.

The income tax benefits relating to the losses in Canada and the U.S. have not been recognized in the consolidated financial statements as the recognition requirements under the liability method of accounting for income taxes have not been met.

The Company has accumulated deductible research and development expenses of $1,495,251 (CAD) in Canada that can be carried forward indefinitely.

16. LOSS PER SHARE

As the Company incurred a net loss during the year ended February 29, 2016 and 2015, the loss and diluted loss per common share are based on the weighted-average common shares outstanding during the period. The following outstanding instruments could have a dilutive effect in the future:

	February 29, 2016	**February 28, 2015**
Common shares issuable on exercise of warrants	6,345,994	19,611,494
Common shares issuable on exercise of stock options	2,481,667	166,667

17. OPERATING SEGMENTS

Management has identified four reportable business segments. Each of these reporting segments are managed separately and their results are based on internal management information that is regularly reviewed by the chief operating decision maker.

The Company's two reportable business segments are:

- Healthcare operation in the USA, operated through CSS ("CSS")
- Multiple Media Entertainment Inc. ("MME")
- DA Management NJ Inc ("DA")
- Other, including head office expenses and office of the CEO ("Quantum")

Assets of CSS are held in the USA, all other assets are held in Canada

(amounts in U.S. dollars, unless otherwise stated)

February 28, 2015	Quantum	CSS	MME	Total
	$	$	$	$
Patient revenue	-	223,674	-	223,674
Net licensing revenue	-	-	89,374	89,374
Operating expenses	(2,492,935)	(1,470,942)	(188,534)	(4,152,411)
Net loss from operations	(2,492,935)	(1,247,267)	(99,160)	(3,839,363)
Interest and finance charges	(7,953)	(412)	-	(8,365)
Gain (loss) on foreign exchange	32,434	-	1,248	33,682
Net loss	(2,468,454)	(1,247,679)	(97,912)	(3,814,046)
Total assets	111,468	3,781,712	869,878	4,763,059
Total liabilities	1,314,332	379,391	429,622	2,123,345

February 28, 2016	**Quantum**	**CSS**	**MME**	**DA**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Net patient revenue	-	2,346,313	-	-	-	2,346,313
Net licensing revenue	-	-	67,970	-	-	67,970
Management fees	-	-	-	160,929	-	160,929
Operating expenses	(5,704,214)	(3,808,045)	(414,957)	(860,006)	(551,607)	(11,338,829)
Net gain (loss) from operations	(5,704,214)	(1,461,732)	(346,987)	(699,077)	(551,607)	(8,763,617)
Loss on disposal	-	-	-	(2,357,061)	-	(2,357,061)
Interest and finance charges	(173,578)	-	1	-	-	(173,577)
Gain (loss) on foreign exchange	93,161	-	(49)	-	-	93,112
Net loss from continuing operations	(5,784,631)	(1,461,732)	(347,035)	(3,056,138)	(551,607)	(11,201,143)
Total assets	167,135	3,096,917	134,847	39,500	2,227	3,440,625
Total liabilities	4,517,091	499,194	234,146	-	256,170	5,506,601

18. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel of the Company include the Chief Executive Officer, the President, Chief Financial Officer and all members of the Board of Directors.

Key management personnel compensation:

	February 29, 2016	**February 28, 2015**
Management fees paid to corporations controlled by officers	393,499	503,831
Salaries and short term benefits	186,412	70,153
Director fees	45,610	10,580
Share based compensation	369,258	18,387
Consulting fees	44,280	-

Included in accounts payable and other liabilities is $81,298 (February 28, 2015 - $nil) due to related parties as of February 29, 2016 for management fees paid to corporations controlled by officers, directors fees and salaries and short benefits.

During the year ended February 29, 2016, the Company paid consulting fees of $20,476 (February 28, 2015 - $nil) and reimbursed Company expenses to a corporation controlled by a director and officer of the Company. These services were incurred in the normal course of operations. All services were made on terms equivalent to those that prevail with arm’s length transactions. As at February 29, 2016, Ascendant Group Holdings was owed $59,439 (February 28, 2015 – $nil).

(amounts in U.S. dollars, unless otherwise stated)

During the year ended February 29, 2016, the Company paid consulting fees of $23,804 (February 28, 2015 – $nil) to an accounting firm of which the CFO is the managing partner. These services were incurred in the normal course of operations for general accounting and financial reporting matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at February 29, 2016, Forbes Andersen LLP was owed $19,712 (February 28, 2015 – $nil).

During the year ended February 29, 2016, the Company paid fees to a corporation controlled by the prior CEO for relocation of $82,822 (February 28, 2015 - $nil).

During the year ended February 29, 2016, the Company paid rent of $122,032 (February 28, 2015 – 88,663) to a corporation controlled by a director and officer of the Company.

During the year ended February 29, 2016, the Company acquired equipment of $11,023 (February 28, 2015 - $nil) from a corporation controlled by a director and officer of the Company.

During the year ended February 29, 2016, a company controlled by a director and officer of the Company assigned the Company all the rights, title and interest in three operating leases for the remainder of the term of the operating lease. These operating leases are included in the commitment note (Note 20).

19. SUPPLEMENTAL CASH FLOWS INFORMATION

Changes in non-cash operating working capital:

	February 29, 2016 $	February 28, 2015 $
Accounts receivable	(121,514)	(286,506)
Prepaid expenses and other	(31,518)	(31,576)
Medical supplies	(56,407)	(59,238)
Income tax payable	(2,614)	-
Accounts payable and other liabilities	2,393,371	1,326,809
	2,181,318	949,489

20. COMMITMENTS

Management and maintenance contracts

The Company is committed to future minimum payments under management and maintenance contracts as follows:

	February 29, 2016 $
Less than 1 year	280,221
Between 2 and 5 years	1,061,241
Greater than 5 years	114,400
	1,455,862

(amounts in U.S. dollars, unless otherwise stated)

As part of the formation of CSS, CSS has entered into an operating agreement with DGAT to manage certain undertakings, business and affairs of CSS. Included in the operating agreement are provisions for a monthly management fee of $20,000, which commenced on September 1, 2014 and remains in effect for a 7 year term. In addition, DGAT is entitled to a 6% billing fee based on revenues.

Operating Leases

The Company is committed to future minimum lease rentals payable under non-cancellable operating leases in respect of its premises and equipment as follows:

	February 29, 2016 $
Less than 1 year	689,166
Between 2 and 5 years	2,457,338
Greater than 5 years	2,454,159
	5,600,663

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities were as follows:

	February 29, 2016 $	**February 28, 2015 $**
Loans and receivables		
• Cash and cash equivalents	211,506	520,594
• Accounts receivables	634,631	484,654
• Balance receivable from divesture of Anesthesia	39,500	-
• Advances to related parties	-	9,713
Other financial liabilities		
• Accounts payable and other liabilities	4,948,819	2,058,122
• Loans and advances payable	513,363	-
• Lease obligation	44,419	62,609

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. As at February 29, 2016, the Group did not have any financial assets and liabilities measured at fair value.

Financial risk factors
The Group’s activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk
- Fair value risk
- Foreign currencies risk

The following describes the Group’s objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

Credit risk
The Group's credit risk is primarily attributable to cash equivalents and amounts receivable. Cash equivalents have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of receivables from unrelated companies. Accounts receivable are reported at estimated collectible amounts which are based on management’s evaluation of historical account collection determined for each individual customer.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company’s approach to managing liquidity is to endeavour to ensure that there is sufficient capital in order to meet annual business requirements. As at February 29, 2016, the Company had cash and cash equivalents balance of $211,506 ($520,594 as at February 28, 2015) to settle current liabilities of $5,483,540 ($2,080,644 as at February 28, 2015). The Company is funding its operations via the credit facility as disclosed in note 9.

Interest rate risk
The Company has no interest-bearing assets, other than cash and cash equivalents and only fixed-interest liabilities. Accordingly, the Company is not exposed to significant interest rate risk. When available, the Company invests excess cash in short-term securities with maturities of less than one year, earning nominal interest.

Fair value risk
Fair value risk is the risk of loss due to adverse changes in prices other than from changes in interest rates and foreign currency. The Company is not exposed to significant fair value risk as the carrying amount of the financial instruments approximate their fair value due to their short term nature.

Foreign currency risk
The Company's functional currency is the United States dollar and major purchases are transacted in United States dollars. However, The Company is exposed to currency risk with fluctuations in the United States dollar relative to the Canadian dollar as the Company, incurs certain revenues and expenses in Canadian dollar. As well, the Company is exposed to currency risk on cash denominated in Canadian dollars. The Company currently does not use derivatives to mitigate its foreign currency risk.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the period:

- The Company does not hold interest-bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- Based on the Company’s net monetary liabilities denominated in Canadian dollars, a 10% fluctuation in the exchange rate from CAD to USD will generate increases or decreases in income of approximately $231,200.

Capital management

The Company manages and adjusts its capital structure based on available funds in order to support its operations and acquisitions. The capital of the Company consists of share capital and warrants. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

As the Company continues to assess and seek to acquire an interest in additional businesses, the Company may continue to rely on capital markets to support continued growth. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

22. SUBSEQUENT EVENTS

Appointment of new director

On March 16, 2016, Mr. Peter Shippen joined the Board of Directors of the Company.

Assignment of option

On March 16, 2016, the Board of Directors approved a transaction concerning the Company's irrevocable option to acquire, for no additional consideration, 9,000,000 common shares of the Company from affiliates of DGAT Partners, LLC. In order to provide meaningful incentives to senior management, the Board of Directors has approved the assignment by the Company of the Anesthesia Option to Mr. Sekhri. As a condition to the assignment, Mr. Sekhri has agreed to pay to the Company a price of $0.05 CDN per common share acquired by Mr. Sekhri upon any exercise of the Anesthesia Option. The assignment of the Anesthesia Option has been approved by a majority of shareholders of the Company (other than Mr. Sekhri) by way of written consent.

On April 18, 2016, Toronto Stock Exchange approved the assignment by the Company to an entity controlled by Mr. Sekhri of an outstanding option to acquire 9,000,000 common shares of the Company.

Shares for debt settlement

On March 16, 2016, the Company entered into an agreement with Merrill Corporation pursuant to which Merrill has agreed to accept, in full satisfaction of an outstanding liability of the Company, an issuance of 123,446 common shares of the Company, representing an implied price of $0.05 CDN per common share. The liability is an outstanding account payable by the Company in connection with services provided by Merrill Corporation during the Company's bought deal financing in 2015.

On April 1, 2016, the Company entered into separate shares for debt arrangements with each of Roy L. Booth, former Chief Financial Officer of the Company, and Richardson GMP Limited. Mr. Booth has agreed to accept, in full satisfaction of an outstanding liability of the Company, an issuance of 164,000 common shares of the Company, representing an implied price of $0.05 CDN per common share. The liability arose in connection with salary arrangements related to the service provided by Mr. Booth during his tenure as CFO. Richardson GMP Limited has agreed to accept, in full satisfaction of an outstanding liability of the Company, an issuance of 781,621 common shares of the Company, also representing an implied price of $0.05 CDN per common share. The liability arose in connection with corporate finance services provided by Richardson GMP Limited to the Company in 2015.

Note Facility Drawdown

On March 16, 2016, the Company's wholly-owned subsidiary Quantum US Healthcare Corp., completed a drawdown under its previously announced credit facility in the principal amount of $110,000 CDN.

In connection with this drawdown, the Borrower paid finders and agents a cash commission equal to $11,000 CDN, of which $8,250 CDN was paid in common shares of the Company valued at $0.05 CDN per Common Share, as well as broker warrants to acquire 220,000 common shares of the Company at a price of $0.05 CDN per common share at any time during the 12 months following the date of issuance of such broker warrants.

On April 25, 2016, the Company's wholly-owned subsidiary Quantum US Healthcare Corp., completed a drawdown under its previously announced credit facility in the principal amount of $110,000 CDN.

In connection with this drawdown, the Borrower expects to pay finders and agents a cash commission equal to $11,000 CDN, of which $8,250 CDN is expected to be paid in common shares of the Company valued at $0.05 CDN per Common Share, as well as broker warrants to acquire 220,000 common shares of the Company at a price of $0.05 CDN per common share at any time during the 12 months following the date of issuance of such broker warrants.

On May 17, 2016, the Company's wholly-owned subsidiary Quantum US Healthcare Corp., completed a drawdown under its previously announced credit facility in the principal amount of $110,000 CDN.

In connection with this drawdown, the Borrower expects to pay finders and agents a cash commission equal to $11,000 CDN, of which $8,250 CDN is expected to be paid in common shares of the Company valued at $0.05 CDN per Common Share, as well as broker warrants to acquire 220,000 common shares of the Company at a price of $0.05 CDN per common share at any time during the 12 months following the date of issuance of such broker warrants.

On June 15, 2016, the Company's wholly-owned subsidiary Quantum US Healthcare Corp., completed a drawdown under its previously announced credit facility in the principal amount of $110,000 CDN.

In connection with this drawdown, the Borrower expects to pay finders and agency cash commission equal to 11,000 CDN, of which $8,250 CDN is expected to be paid in common shares of the Company value at $0.05 CDN per Common Share, as well as broker warrants to acquire 220,000 common shares of the Company at a price of $0.05 CDN per common share at any time during the 12 months following the date of issuance of such broker warrants.

Resignation of a director

On April 1, 2016, Douglas Stuve resigned from the Board of Directors of the Company.

Consulting Agreement

On April 1, 2016, the Company entered into a new consulting agreement with an entity controlled by Mr. Sekhri. Prior thereto, Mr. Sekhri had been working for the company on an "at will" basis and without a contractual relationship. The consulting agreement provides for the continuation of compensation currently being paid to Mr. Sekhri, with the potential for an increase thereto as well as certain incentive payments in the event Mr. Sekhri is able to grow the business of the Company significantly.

Potential Acquisition

On April 26, 2016, the Company entered into a letter agreement in which the Company, or its designated affiliate, will acquire a controlling interest in the business of Lucky Bucks Inc. ("LBI"), a highly profitable digital skill-based gaming terminal operator based in and incorporated under the laws of the U.S. State of Georgia. LBI assembles, distributes, owns and operates over 650 skill-based digital gaming terminals in over 130 locations throughout Georgia. LBI's terminals are fully licensed and governed by the Georgia State Lottery and offer players a variety of skill-based coin-operated amusement machines.

The purchase price for the Acquisition is expected to be US$13.5 million, comprised of US$10.0 million payable in cash at closing of the Acquisition, US$3.0 million payable in common shares of the Company, to be valued based on the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange during the 20-day period prior to the closing of the Acquisition, and US$0.5 million of deferred consideration, payable in cash at the end of the first year following the closing of the Acquisition.

Amendments to the exercise price of certain outstanding stock options

On June 15, 2016, the Company announced that it has completed amendments to the exercise price of 3,400,000 stock options granted to Manu Sekhri, CEO from $0.42 CDN per common share to $0.05 CDN per common share.

Cease trade order

On July 5, 2016 trading in the Company’s shares was halted by the TSX Venture Exchange pursuant to a Cease Trade Order issued by the Ontario Securities Commission. The cease trade order was issued due to the non-filing of the Company’s audited annual financial statements and other related documents on June 27, 2016. Those required documents were filed by the Company on July 15, 2016.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.