Nova Leap Health Corp.

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2018

(United States dollars)
(Unaudited)

Nova Leap Health Corp.

Condensed Consolidated Statement of Financial Position
(Unaudited - United States dollars)

	March 31, 2018 $	December 31, 2017 $
ASSETS		
Current assets		
Cash and cash equivalents	**423,518**	136,820
Accounts receivable	**598,988**	269,947
Prepaid expenses	**131,382**	59,153
Sales tax recoverable	**3,681**	-
Total current assets	**1,157,569**	465,920
Non-current assets		
Property, plant and equipment (note 4)	**21,322**	3,225
Intangible assets (note 5)	**802,877**	226,493
Goodwill (note 6)	**3,551,000**	2,116,500
Deferred income tax asset	**123,386**	102,308
Total non-current assets	**4,498,585**	2,448,526
TOTAL ASSETS	**5,656,154**	2,914,446
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	**523,606**	452,890
Client deposits payable	**87,022**	99,463
Promissory note (note 8)	**142,000**	-
Demand loans (note 9)	**1,801,433**	540,545
Total current liabilities	**2,554,061**	1,092,898
Non-current liabilities		
Promissory note (note 8)	**134,000**	-
TOTAL LIABILITIES	**2,688,061**	1,092,898
SHAREHOLDERS' EQUITY		
Common shares (note 10)	**3,795,680**	2,596,157
Warrants (note 11)	**792,565**	399,980
Contributed surplus (note 13)	**175,894**	107,975
Accumulated other comprehensive income	**(16,176)**	58,564
Deficit	**(1,779,870)**	(1,341,128)
TOTAL SHAREHOLDERS' EQUITY	**2,968,093**	1,821,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,656,154**	2,914,446

Going concern (note 1)
Subsequent events (note 17)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors

(signed) Director (signed) Director

Nova Leap Health Corp.

Condensed Consolidated Statement of Loss and Comprehensive Loss
(Unaudited - United States dollars)

	For the three months ended	
	March 31, 2018	March 31, 2017
	$	$
Service revenue	**1,265,021**	40,131
Cost of service revenue	**820,477**	26,607
Gross margin	**444,544**	13,524
Corporate and administrative expenses		
Advertising	**15,998**	6,133
Amortization (note 5)	**63,616**	659
Conferences and subscriptions	**1,465**	1,215
Foreign exchange gain	**(60,740)**	(2,454)
Loss on disposal of automobile	**1,325**	-
Impairment loss	**-**	2,826
Information technology, software and support	**7,783**	-
Insurance	**9,360**	3,094
Investor relations and shareholder communications	**41,345**	9,692
Head office/operations management compensation	**410,830**	79,968
Office and other	**58,447**	12,190
Professional fees (note 7)	**47,934**	46,198
Stock based compensation (note 13)	**81,580**	-
Transfer agent, filing and listing fees	**13,676**	13,813
Travel expense	**11,741**	4,638
	704,360	177,972
Loss from operating activities	**259,816**	164,448
Net finance and acquisition related expenses		
Finance income	**-**	(189)
Finance expense	**28,592**	4,290
Acquisition related expense (note 3)	**171,412**	-
	200,004	4,101
Deferred income tax recovery	**21,078**	9,740
Net loss	**438,742**	158,809
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation to presentation currency	**74,740**	(3,712)
Total comprehensive loss	**513,482**	155,097
Weighted average number of shares outstanding during the period (note 14)	**34,745,433**	14,316,667
Basic and diluted loss per share	**$ (0.01)**	$ (0.01)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Condensed Consolidated Statement of Changes in Shareholders' Equity
(Unaudited - United States dollars)

	Common shares	Share capital $	Warrants $	Contributed surplus $	Accumulated other comprehensive income $	Deficit $	Total equity $
Balance – January 1, 2018	**29,722,100**	**2,596,157**	**399,980**	**107,975**	**58,564**	**(1,341,128)**	**1,821,548**
Units issued for cash, net of issuance costs (note 10)	**9,220,000**	**1,143,000**	**345,579**	**-**	**-**	**-**	**1,488,579**
Broker shares issued (note 10)	**80,000**	**15,787**	**-**	**-**	**-**	**-**	**15,787**
Broker warrants issued (note 11)	**-**	**-**	**47,006**	**-**	**-**	**-**	**47,006**
Agent options exercised (note 13)	**350,000**	**40,736**	**-**	**(13,661)**	**-**	**-**	**27,075**
Stock based compensation (note 13)	**-**	**-**	**-**	**81,580**	**-**	**-**	**81,580**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**(438,742)**	**(438,742)**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**(74,740)**	**-**	**(74,740)**
Balance – March 31, 2018	**39,372,100**	**3,795,680**	**792,565**	**175,894**	**(16,176)**	**(1,779,870)**	**2,968,093**
Balance – January 1, 2017	13,500,000	510,801	-	116,109	7,991	(489,519)	145,382
Units issued for cash, net of issuance costs	3,500,000	428,692	80,355	-	-	-	509,047
Net loss for the period	-	-	-	-	-	(158,809)	(158,809)
Other comprehensive income for the period	-	-	-	-	3,712	-	3,712
Balance – March 31, 2017	17,000,000	939,493	80,355	116,109	11,703	(648,328)	499,332

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nova Leap Health Corp.

Condensed Consolidated Statement of Cash Flows
(Unaudited - United States dollars)

	For the three months ended March 31, 2018	March 31, 2017
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the period	**(438,742)**	(158,809)
Amortization (note 5)	**63,616**	659
Deferred income tax recovery	**(21,078)**	(9,740)
Loss on disposal of property, plant and equipment	**1,325**	-
Stock based compensation (note 13)	**81,580**	-
Finance expense	**28,592**	4,260
Unrealized foreign exchange gain	**(74,740)**	4,051
Net changes in non-cash working capital balances related to operations		
Change in accounts receivable	**(329,041)**	6,037
Change in prepaid expense	**(75,910)**	3,532
Change in accounts payable and accrued liabilities	**70,716**	96,652
Change in client deposits payable	**(12,441)**	-
	(706,123)	(53,358)
Investing activities		
Purchase of automobile	**(19,422)**	-
Acquisition of business (note 3)	**(1,800,000)**	-
	(1,819,422)	-
Financing activities		
Proceeds from issuance of Units, net of issue costs (note 10)	**1,551,372**	509,047
Proceeds from exercise of Agent's Options (note 10)	**27,075**	-
Interest payments	**(18,300)**	-
Proceeds from demand loan, net of transaction costs (note 9)	**1,299,291**	-
Repayment of demand loan	**(47,195)**	-
Repayment of convertible debenture	**-**	(37,069)
	2,812,243	471,978
Change in cash and cash equivalents for the period	**286,698**	418,620
Cash and cash equivalents – beginning of period	**136,820**	148,275
Cash and cash equivalents – end of period	**423,518**	566,895
Non-cash items:		
Broker warrants issued as share issue costs	**47,006**	-
Broker shares issued as share issue costs	**15,787**	-
Exercise of Agents Options	**13,661**	-
Assumption promissory note for acquisition of business	**300,000**	-

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

1. Nature of operations and going concern

Nature of operations

Nova Leap Health Corp. (the "Corporation") is the parent company and was incorporated under the Canada Business Corporations Act on November 16, 2015. The Corporation completed its Qualifying Transaction ("QT") on October 13, 2016. The principal activities of the Corporation and its subsidiaries (the "Group") is to provide skilled and non-medical home care to clients. The Group is currently operating the home care services companies in Vermont/New Hampshire, Rhode Island and Massachusetts. The Corporation's shares are listed on the TSX Venture Exchange and are traded under the symbol NLH.V.

These condensed interim consolidated financial statements include the accounts of the Corporation and its United States subsidiaries, Nova Leap Health Corp. Holdings, Inc, Nova Leap Health NH, LLC. Nova Leap Health RI, Inc., Nova Leap Health MA, Inc. and Armistead Home Care, LLC. The registered head office of the Corporation is located at 37 Wentworth Street, Unit 104, Dartmouth, NS B2Y 2S9, Canada.

The condensed interim consolidated financial statements were approved by the Board of Directors on May 24, 2018.

Going concern

The Corporation completed its QT on October 13, 2016 and has subsequently acquired the home care assets of three additional businesses in Northeastern, United States to March 31, 2018. The Group continues to incur operating losses as its cash flows from home care operations do not cover head office expenses. The positive cash flows from the existing home care operations contribute to the Group's ability to reduce operating losses and Management has implemented a plan to build positive cash flows from operations in Vermont/New Hampshire. Subsequent to March 31, 2018, the Corporation acquired the assets of a home care business with operations in Massachusetts and signed a definitive agreement to purchase a home care business in Eastern Canada both of which have positive cash flows from operations which will further reduce the Group's operating losses. (see note 17 – Subsequent Events).

The Group's consolidated financial statements as at March 31, 2018 have been prepared based on International Financial Reporting Standards applicable to a going concern, which assumes the Group will continue in operation for the foreseeable future realizing its assets and settling its liabilities and commitments in the normal course of business. There is doubt about the appropriateness of the going concern assumption as the Group incurred a net loss for the three months ended March 31, 2018 of $438,742 and has not yet generated profit from operations. The continuing operations of the Group are dependent on its ability to develop profitable operations in the future and to raise adequate financing, if necessary. Management intends to raise additional working capital in the immediate term to meet the Group's liabilities and commitments. In the past, the Group has raised funds through equity and convertible debt offerings as well as demand loans to fund the purchase of home care assets. Subsequent to March 31, 2018, the Group raised funds through brokered private placements for gross proceeds of $798,643 as well as additional $750,000 gross debt financing to partially fund the business acquisition in Massachusetts (see note 17 – Subsequent Events).

There can be no assurance that the Group will be successful in achieving profitability or raising additional cash to finance operations. These condensed interim consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern, and these adjustments could be material.

2. Significant accounting policies

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (''IASB''). These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments, as the Corporation's consolidated financial statements for the year ended December 31, 2017. These unaudited condensed interim consolidated financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2017, prepared in accordance with IFRS as issued by the IASB.

2. Significant accounting policies (continued)

b) Revenue

The Group generates home care revenues by providing home care services directly to clients, such as companionship and life enrichment, personal care and homemaking. The Group receives payments for providing services from private individuals, Government Agencies/Veteran Affairs and long-term care insurance. Revenue is recognized at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The Corporation has determined that no significant financing components exist with respect to contracts with customers, as accounts receivable bear normal commercial credit terms and are non-interest bearing.

c) Accounting Changes

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with the applicable transition provisions.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. The Corporation adopted IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Corporation has elected to apply the modified retrospective method on transition, which means that comparative periods have not been restated. On transition, cumulative impacts related to adoption are required to be recognized in opening retained earnings; however, no adjustments were required for the Corporation.

IFRS 9, Financial Instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The replacement of IAS 39 is a three-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 provides guidance on the classification and measurement of financial assets and financial liabilities, and a new hedge accounting model with corresponding disclosures about risk management activity. The Company adopted IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The adoption of this standard has no financial impact to the Corporation.

- The Corporation did not identify any changes to the classification and measurement of the existing financial instruments upon applying IFRS 9, other than a change in the classification of cash and cash equivalents and accounts receivable from loans and receivables to assets at amortized cost, which had no impact on these financial statements.
- IFRS 9 requires the Corporation to record expected credit losses ("ECL") on the entire accounts receivable balance. The Corporation has applied the simplified approach and has calculated the lifetime ECLs based on an established provision matrix that considers the Corporation's historical loss experience, adjusted for forward-looking factors specific to the Corporation's clients and the economic environment. The adoption of the ECL requirements of IFRS 9 did not have an impact on the consolidated financial statements

d) Future accounting standards issued but not yet applied

IFRS 16, Leases

IFRS 16 was issued by the IASB in January 2016 and supersedes IAS 17, Leases. The new standard brings most leases on the balance sheet for lessees under a single model and eliminates the distinction between operating and finance leases. Lessor accounting remains largely unchanged. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. The Corporation is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

3. Business acquisitions

Family Tree Home Care, Inc. ("Family Tree")

On February 23, 2018, the Corporation acquired the home care assets ("Significant Assets") of Family Tree located in Shrewsbury, Massachusetts, USA. Pursuant to the terms of the Definitive Agreement, the Corporation's U.S. subsidiary, Nova Leap Health MA, Inc., acquired the Significant Assets from Family Tree for a total purchase price of $2,100,000. The acquisition was funded using $450,000 cash, $1,350,000 funds from debt and $300,000 promissory note issued to Family Tree.

The details of the business acquisition are as follows:

Fair value of consideration transferred	
Cash	$470,620
Promissory note to vendor	274,500
Demand loan, net of loan and legal fees	1,329,830
Total	$2,074,950
Recognized amounts of identifiable net assets	
Prepaid security deposit	$450
Intangible assets (customer lists)	$640,000
Goodwill	1,434,500
	$2,074,950

The fair value of the net assets and goodwill are as follows:

- *Identifiable net assets*
  The fair value of the customer lists acquired as part of the business acquisition amounted to $640,000.

- *Goodwill*
  Goodwill of $1,434,500 is primarily related to growth expectations, expected future profitability and the assembled workforce.

Acquisition costs
Total acquisition costs of $93,436 were incurred and are included in professional fees on the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss.

Contribution to Group results
A loss from operating activities of $55,085 was incurred for the period from the date of acquisition, including $93,436 of one-time acquisition costs, February 24, 2018, to the reporting date, primarily due to acquisition costs. Revenue for the period from the date of acquisition, February 24, 2018, to the reporting date was $372,870.

Proforma Group results based on acquiring the assets at the beginning of the reporting period
If the Significant Assets of Family Tree had been acquired on January 1, 2018, revenue of the Group for the reporting period would have been approximately $1.82 million and loss from operating activities for the year would have decreased by approximately $85,000.

Other
On March 28, 2018, the Corporation entered into an agreement to acquire all of the issued and outstanding share capital of a company in Eastern Canada, for approximately $2,750,000 CAD plus closing adjustments. The acquisition is expected to close during the Corporation's second quarter and will be paid for in cash, and partially financed by proceeds from the sale of common shares and debt financing.

Acquisition related expense
The Group incurred acquisition related expenses of $171,412 for the period of which $93,436 related to the acquisition of Family Tree that closed in the period and the remaining amount related to future acquisitions.

4. Property plant & equipment

The changes in property, plant & equipment for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	3,225	-
Addition	21,322	3,500
Disposal	(3,225)	-
Amortization	-	(275)
Balance, end of period	21,322	3,225

5. Intangible assets

The changes in intangible assets for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	226,493	5,700
Addition	640,000	260,000
Amortization	(63,616)	(35,316)
Impairment loss	-	(3,891)
Balance, end of period	802,877	226,493

The additions relate to the value of the customer lists acquired related to the purchase of the Significant Assets of Family Tree during the period (See note 3 above).

6. Goodwill

The changes in goodwill for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	2,116,500	180,000
Addition	1,434,500	1,936,500
Balance, end of period	3,551,000	2,116,500

The allocation of goodwill from the Family Tree acquisition is pending finalization (see note 3 above).

7. Related party transactions

Transactions with related parties were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. The cost of these services was as follows:

	Period ended	
	March 31, 2018	March 31, 2017
	$	$
Share issue costs	1,064	6,416
Professional fees	3,455	2,217
	4,519	8,633

During the periods ended March 31, 2018 and 2017, a company controlled by the CEO billed a total $4,682 and $4,475, respectively, for the rental of office space.

Key management personnel

Key management personnel of the Group are members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. Key management personnel remuneration for the periods include the following expenses:

7. Related party transactions (continued)

	Period ended March 31, 2018	Period ended March 31, 2017
	$	$
Consulting fees	95,466	64,425
Directors fees	15,219	-
Stock-based compensation	70,698	-
	181,383	64,425

As at March 31, 2018, there was $5,102 included in Accounts payable and accrued liabilities for amounts owed to officers of the Corporation (December 31, 2017 – $167,073) for expense reimbursements and $15,219 for amounts due to directors for director fees.

8. Promissory Note

The changes in the promissory note for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	-	-
Issued	274,500	-
Effective interest	1,500	-
Balance, end of period	276,000	-
Current portion	142,000	-
Non-current portion	134,000	-

To finance a portion of acquisition of the assets of Family Tree, the Nova Leap Health MA, Inc. obtained a promissory note from the vendors with a principal amount of $300,000. The loan bears interest at a rate of 3% per annum and $150,000 plus accrued interest is repayable on January 31, 2019 and the remaining $150,000 plus accrued interest is repayable on January 31, 2020. The promissory note is subject to a Guaranty Agreement of Nova Leap Health Corp. and is subordinated to the demand loans in note 9. The promissory note was initially recorded at fair value using a market interest rate of 9% and subsequently measured at amortized cost using the effective interest rate method.

9. Demand loans

The changes in the demand loans for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	540,545	-
Issued	1,350,000	600,000
Debt issue costs	(50,709)	(46,983)
Effective interest	27,092	15,285
Interest payment	(18,300)	(10,638)
Principal repayment in cash	(47,195)	(17,119)
Balance, end of period	1,801,433	540,545

To finance the acquisition of the assets of Family Tree, the Corporation obtained a demand non-revolving loan with a principal amount of $1,350,000. The loan bears interest at a rate of US Base Rate of 5% plus 1.5%. The loan is repayable on demand and $20,047 blended payments of both principal and interest are paid monthly. The amortization period of the loan is 84 months from the date of drawdown, February 23, 2018.

Export Development Canada provided a 75% guarantee for the loan for a fee of 2.35% per annum. The loan is also secured through a registered General Security Agreement and a Corporate Guarantee for the principal amount of the loan from Nova Leap Health Holdings, Inc. Nova Leap Health MA, Inc. and Nova Leap Health RI, Inc.

9. Demand loans (continued)

The loan is designated as an "other financial liability" and was initially recorded at fair value adjusted for transaction expenses of $1,329,830, of which, $12,973 were paid directly by the Corporation.

10. Common shares

a. Authorized:
Unlimited number of common shares, without nominal or par value

b. Issued and outstanding:

	March 31, 2018		December 31, 2017	
	Number of Shares	Value $	Number of Shares	Value $
Balance, beginning of period	29,722,100	2,596,157	13,500,000	510,801
Shares issued for acquisition of assets	-	-	2,509,600	400,000
Shares issued for cash, net of issue costs	9,220,000	1,143,000	13,712,500	1,685,356
Broker shares issued	80,000	15,787	-	-
Agent options exercised	350,000	40,736	-	-
Balance, end of period	39,372,100	3,795,680	29,722,100	2,596,157

On January 8, 2018, the Corporation closed a non-brokered private placement and raised gross proceeds of $382,386 ($475,000 CAD) net of share issue costs of $19,140 through the issuance of 2,375,000 Units at a price of $0.20 CAD per unit. Each unit is comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half warrants entitle the holder to acquire one common share of the Corporation for $0.35 CAD for a period of 24 months from the closing date. $82,209 (CAD $102,121) was allocated to the warrants based on the fair value of the warrants, net of proportional amount of the related share issue costs. The Corporation applies the fair value method with respect to the measurement of shares and warrants issued as private placement units. The Company allocates the net proceeds based on the relative fair values to each component. The fair value of the warrants was determined using the Black-Scholes pricing model. All securities issued pursuant to the private placement are subject to a 4 month hold period that expired on May 7, 2018.

On February 22, 2018, the Corporation closed a brokered private placement and raised gross proceeds of $1,350,845 ($1,711,250 CAD) net of share issue costs of $208,152 through the issuance of 6,845,000 Units at a price of $0.25 CAD per unit. Each unit is comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half warrants entitle the holder to acquire one common share of the Corporation for $0.375 CAD for a period of 24 months from the closing date. $280,730 (CAD $355,628) was allocated to the warrants based on the fair value of the warrants, net of proportional amount of the related share issue costs. The Corporation applies the fair value method with respect to the measurement of shares and warrants issued as private placement units. The Company allocates the net proceeds based on the relative fair values to each component. The fair value of the warrants was determined using the Black-Scholes pricing model. All securities issued pursuant to the private placement are subject to a 4 month hold period that expires on June 21, 2018. The Corporation paid the Agents a corporate finance fee of which $15,787 ($20,000 CAD) was paid through the issuance of 80,000 Common Shares at a deemed price of $0.25 per Common Share.

Common shares subject to escrow

Of the 10,000,000 common shares issued in January 2016 which were subject to an escrow agreement, 7,500,000 shares were in escrow at March 31, 2018. The remaining shares in escrow will be released in 5 equal increments of 1,500,000 shares each, every 6 months with the final release on November 4, 2019.

11. Warrants

The changes in warrants for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	399,980	-
Warrants issued, net of issue costs	345,579	399,980
Broker warrants issued	47,006	-
Balance, end of period	792,565	399,980

11. Warrants (continued)

	March 31, 2018			December 31, 2017		
	Number	**Weighted Average Exercise Price (CAD)**	**Remaining contractual life (years)**	**Number**	**Weighted Average Exercise Price CAD**	**Remaining contractual life (years)**
Balance, beginning	6,856,250	$0.35	1.27	-	-	-
Issued for cash	4,610,000	$0.37	1.87	-	-	-
Broker warrants issued	361,100	$0.26	1.89	6,856,250	$0.35	1.52
Balance, end	11,827,350	$0.35	1.52	6,856,250	$0.35	1.52

On January 8, 2018, in connection with the private placement, the Corporations issued 1,187,500 warrants with an exercise price of $0.35 CAD and expire on January 7, 2020. The fair value of the warrants issued, net of share issue costs allocation was $82,209 (CAD $103,097). The Corporation also issued 36,300 broker warrants with an exercise price of $0.35 CAD and expire on February 21, 2020.

On February 22, 2018, in connection with the brokered private placement, the Corporations issued 3,422,500 warrants with an exercise price of $0.375 CAD and expire on February 21, 2020. The fair value of the warrants issued, net of share issue costs allocation was $280,730 (CAD $351,688). The Corporation also issued 324,800 broker warrants with an exercise price of $0.25 CAD and expire on February 21, 2020.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the period:

Exercise price (CAD)	$0.36
Risk free interest rate	1.25%
Expected volatility	142%
Expected dividend yield	0%
Expected life	2.0 years
Grant date fair value (CAD)	$0.24

The following table summarizes information concerning outstanding and exercisable warrants at March 31, 2018:

Expiry date	**Number**	**Exercise price (CAD) $**
Mar 9, 2019	1,750,000	$0.35
Jul 5, 2019	2,631,250	$0.35
Oct 5, 2019	2,475,000	$0.35
Jan 7, 2020	1,223,800	$0.35
Feb 22, 2020	3,422,500	$0.375
Feb 22, 2020	324,800	$0.25
	11,827,350	$0.35

12. Stock based compensation

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Options vesting conditions are determined by the Board of Directors at the time of grant Options may be exercised ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

12. Stock based compensation (continued)

The changes in incentive stock options during the period were as follows:

	March 31, 2018		December 31, 2017	
	Number	**Weighted Average Exercise Price (CAD)**	**Number**	**Weighted Average Exercise Price (CAD)**
Balance, beginning	1,350,000	$0.10	1,350,000	$0.10
Granted	1,485,000	$0.25	-	-
Balance, end	2,835,000	$0.18	1,350,000	$0.10

On January 12, 2018, the Corporation granted 1,485,000 incentive stock options to directors, officers, employees and consultants of the Corporation. The stock options are exercisable for a period of 10 years at an exercise price of $0.25 CAD per share and vest 25% immediately and 25% on each anniversary date of the stock option grant date.

The following table summarizes information concerning outstanding and exercisable options at March 31, 2018:

	Outstanding		Exercisable	
Expiry date	**Number**	**Exercise price (CAD) $**	**Number**	**Exercise price (CAD) $**
Apr 25, 2026	1,350,000	$0.10	1,350,000	$0.10
Jan 11, 2028	1,485,000	$0.25	371,250	$0.25
	2,835,000	$0.18	1,721,250	$0.13

The weighted average contractual life outstanding as at March 31, 2018 is 8.97 years.

The compensation cost for the stock options granted during the period were determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Option grant date	January 12, 2018
Exercise price (CAD)	$0.25
Risk free interest rate	1.00%
Expected volatility	107%
Expected dividend yield	0%
Expected life	6.0 years
Grant date fair value (CAD)	$0.20

The expected volatility was determined based on the historical share price volatility from the date of the grant over a period of time equal to the expected life of the option. The expected forfeiture rate was nil.

The Corporation recorded total stock-based compensation during the three months ended March 31, 2018 of $81,580 (2017 - nil).

The changes in Agent's stock options during the period were as follows:

Expiry date	**Number of options**	**Exercise Price (CAD) $**
Balance, beginning	350,000	0.10
Exercised	(350,000)	(0.10)
Balance, end	-	-

13. Contributed Surplus

The changes in contributed surplus for the period are as follows:

	March 31, 2018	December 31, 2017
	$	$
Balance, beginning of period	107,975	116,109
Stock options granted – directors and officers	81,580	-
Exercise stock options - agents	(13,661)	-
Repayment of convertible debentures in cash	-	(8,134)
Balance, end of period	175,894	107,975

14. Loss per Share

Basic earnings (loss) per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share assumes that convertible debentures, stock options, agent's options and warrants have been exercised on the later of the beginning of the period and the date granted. As of March 31, 2018, all options, warrants and convertible debentures were excluded from the computation of diluted loss per share because their effect would have been anti-dilutive.

15. Financial instruments

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is exposed to the same risk in the current year as it was exposed to in the prior year and in addition is exposed to interest rate risk because of the demand loan that has variable rate interest. The most significant financial risks to which the Group is exposed are described below.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting period, as summarized below:

Classes of financial assets – carrying amounts	March 31, 2018	December 31, 2017
	$	$
Cash and cash equivalents	423,518	136,820
Accounts receivable	598,988	269,947
	1,022,506	406,767

In respect of trade account receivables, the Group is exposed to a certain level of credit risk as the amounts are uncollateralized. Credit risk for accounts receivable is the risk of loss associated with a client's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The Group mitigates credit risk by both collecting client deposits prior to service for certain clients and actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at March 31, 2018, the Group had $87,022 collected for client deposits, representing approximately 15% of outstanding accounts receivable, billed and accrued (December 31, 2017 - $99,463). Management believes that counterparty concentrations are in the normal course of business and are not unusual.

The credit risk for cash and cash equivalents is considered low as the Group maintains the majority of its cash with a Schedule I bank in Canada.

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its current and future obligations. The Group's approach to managing liquidity risk is to closely monitor working capital balances as compared to budgeted upcoming expenses and expected due diligence and acquisition expenses. During the current and previous period, the Group raised funds, primarily through private placement or convertible debt. As at March 31, 2018, the Group had a cash and cash equivalents balance of $423,518. The Group has a working capital shortfall at March 31, 2018 primarily due to the presentation of demand loans as current, and the Group's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

15. Financial instruments (continued)

The following table shows the timing of cash outflows relating to its liabilities:

	< 1 year	1-2 years	3-5 years	> 5 years
	$	$	$	$
Account payable and accrued liabilities	523,606	-	-	-
Demand loan	411,493	406,553	1,113,654	467,735
Promissory note	159,000	154,500	-	-

Market risk
The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and financing activities.

Foreign currency sensitivity
The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange. The Group's exposure to CAD dollar currency risk was as follows:

	March 31, 2018 (CAD)	December 31, 2017 (CAD)
	$	$
Cash and cash equivalents	244,360	72,346
Accounts payable & accrual liabilities	(271,123)	(274,793)
	(26,763)	(202,447)

Sensitivity to a plus or minus 1.0% change in the CAD dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately $200.

Interest rate sensitivity

As at March 31, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Sensitivity to a plus or minus 10% change in the interest rates would affect net loss and comprehensive loss and deficit by approximately $280,000 over the remaining term of the loans.

Fair value
All financial assets and liabilities except for the demand loans are short-term. The carrying values of short-term financial assets and liabilities are a reasonable approximation of fair value. The fair value of the demand loans is approximately $1,885,819 as at March 31, 2018.

16. Segment reporting

As of March 31, 2018, management identified the Group's three operating businesses as its operating segments. All businesses provide home care services to clients. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results.

As of December 31, 2017, management identified the Group's two operating businesses as its operating segments. Both businesses provide home care services to clients. These operating segments are monitored by the Group's Chief Executive Officer and strategic decisions are made based on segment operating results.

16. Segment reporting (continued)

Segment information for the reporting period is as follows:

	For the period ended March 31, 2018			
	VT/NH	**RI**	**MA**	**Total**
	$	**$**	**$**	**$**
Segment revenues (all from external customers)	**457,565**	**434,587**	**372,869**	**1,265,021**
Cost of services	264,993	279,383	276,101	820,477
Gross Profit	192,572	155,204	96,768	444,544
General & administrative	238,137	153,612	63,891	455,640
Segment operating loss (a)	**(45,565)**	**1,592**	**32,877**	**(11,096)**
Segment assets	**1,508,990**	**1,307,337**	**2,477,397**	**5,293,724**

a) Segment operating loss includes non-cash expenses related to amortization of customer lists and stock-based compensation of $70,322

	For the period ended March 31, 2017	
	VT/NH	**Total**
	$	**$**
Segment revenues (all from external customers)	**40,131**	**40,131**
Cost of services	26,607	26,607
Gross profit	13,524	13,524
General & administrative (a)	37,874	37,874
Segment operating loss	**(24,350)**	**(24,350)**
Segment assets	**232,202**	**232,202**

The Group's revenues from external customers and its non-current assets are all attributable to the United States. Revenues from external customers are identified on the basis of the client's geographical location. Non-current assets are allocated based on their physical location.

The totals presented in the Group's operating segments reconcile to the key financial figures as presented in the financial statements as follows:

	March 31, 2018	**March 31, 2017**
	$	**$**
Revenues (Segment and Group)	**1,265,021**	**39,991**
Gross profit (Segment and Group)	**444,544**	**13,524**
Group loss		
Total reportable segment operating loss	(11,096)	(24,350)
Corporate and administrative expenses not allocated	(248,720)	(140,098)
Group operating loss	**(259,816)**	**(164,448)**
Net finance and acquisition related expenses	(200,004)	(4,101)
Group loss before tax	**(459,820)**	**(168,549)**

16. Segment reporting (continued)

	March 31, 2018 $	March 31, 2017 $
Assets		
Total reportable segment assets	**5,293,724**	232,202
Group headquarters	362,430	567,656
Group assets	**5,656,154**	**799,858**

17. Subsequent events

Private Placement

Subsequent to March 31, 2018, Nova Leap announced that it has appointed Haywood Securities Inc. (“Haywood”) and Gravitas Securities Inc. (“Gravitas”) together as Co-Lead Agents on behalf of a syndicate of agents to be formed (collectively, the “Agents”) to sell, by way of a private placement on a best efforts basis, up to 13,333,333 common shares of the Corporation’s (“Common Shares”) at a price of $0.30 CAD per Common Share (the “Issue Price”) for gross proceeds of up to $4,000,000 CAD (the “Offering”). The Agents have been granted the option to sell up to an additional 3,333,333 Common Shares at the Issue Price, exercisable in whole or in part at any time up to 48 hours prior to the closing of the Offering.

The Corporation will, upon the closing of the Offering: 1) pay the Agents a cash commission equal to 8.0% of the gross proceeds of the Offering, except in respect of any subscriptions by purchasers on the President’s List, which will only have a cash commission equal to 2.0% of the gross proceeds from the sale of Common Shares under the Offering; and 2) issue to the Agents compensation options equal to 8.0% of the Common Shares sold to purchasers not listed on the President’s List and 2.0% of the number of Common Shares sold to purchasers listed on the President’s List, subject to compliance with all required regulatory approvals. The compensation options shall have an exercise price per compensation option that is equal to the Issue Price and have a term of 24 months from the closing date of the Offering.

Nova Leap closed the first tranche of the brokered private placement on April 13, 2018 for gross proceeds of $798,643 ($1,006,050 CAD) by the sale of 3,353,499 common shares of the Corporation at a price of $0.30 CAD per Common Share.

Acquisition

Subsequent to March 31, 2018, Nova Leap completed the acquisition of the business assets of Home Health Solutions, Inc. located in Holyoke, Massachusetts for $1,200,000. The purchase price for the acquisition was paid with $1,000,000 in cash, partially financed by a demand loan of $750,000 from a Canadian Schedule 1 Bank, and a $200,000 promissory note issued to the Vendor. The initial accounting for the business acquisition was incomplete at the time the condensed interim consolidated financial statements were authorized for issue; therefore, certain disclosures cannot be determined at this time. This includes amounts to be recognized as of the acquisition date for the fair value of the assets acquired and liabilities assumed including any intangible assets that may arise from the transaction. The Corporation expects the preliminary purchase price allocation will include intangible assets (i.e. customer lists) and goodwill.

18. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.