

# **M PHARMACEUTICAL INC.**

## **Unaudited Interim Consolidated Financial Statements**

*For the three months ended March 31, 2017 and 2016  
(Expressed in Canadian dollars)*

## **NOTICE TO READER**

The accompanying unaudited Interim Consolidated Financial Statements for M Pharmaceutical Inc. have been prepared by management in accordance with International Financing reporting Standards consistently applied. These Interim Consolidated Financial Statements have not been audited or reviewed by the auditors.

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# M PHARMACEUTICAL INC.

## Interim Consolidated Statements of Financial Position (Unaudited)

As at

(In Canadian Dollars)		Notes	March 31, 2017	December 31, 2016 (Restated)
			\$	\$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents			351,370	715,290
Accounts receivable			-	-
Sales tax receivable			14,909	22,821
Prepaid expenses and deposits			64,672	53,635
Investments		11	-	-
<b>Total Current Assets</b>			<b>430,951</b>	<b>791,746</b>
<b>Non-current Assets</b>				
Fixed assets			7,633	8,252
Intangible assets		7	4,811,078	2,010,688
<b>Total Assets</b>			<b>5,249,662</b>	<b>2,810,686</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities		10	617,047	784,971
Promissory notes payable		12	120,000	120,000
Convertible debenture		13	382,098	382,098
Derivative liability		9	1,359,235	1,359,235
<b>Total Current Liabilities</b>			<b>2,424,380</b>	<b>2,592,304</b>
<b>Total Liabilities</b>			<b>2,424,380</b>	<b>2,592,304</b>
<b>Shareholders' Equity (Deficit)</b>				
Share capital		7(a)	48,106,682	44,573,207
Contributed surplus		7(c)	9,922,661	9,922,661
Accumulated other comprehensive income			90,000	90,000
Deficit			(55,294,061)	(54,367,486)
<b>Total Shareholders' Equity (Deficit)</b>			<b>2,825,282</b>	<b>218,382</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>			<b>5,249,662</b>	<b>2,810,686</b>
<b>Going concern (Note 2)</b>				
<b>Subsequent events (Note 17)</b>				

Director

"Signed"

Rick Skeith

Director

"Signed"

Gary Thompson

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

**M PHARMACEUTICAL INC.****Interim Consolidated Statements of Comprehensive Loss (Unaudited)**

For the three months ended March 31, 2017

<i>(In Canadian Dollars)</i>	<i>Notes</i>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
		\$	\$
<b>Revenue</b>			
40Js, LLC	9	(26,656)	-
Royalty		26,656	-
<b>Net Revenue</b>		-	-
<b>Expenses</b>			
Professional fees	9	371,793	14,744
General and administrative		62,015	2,537
Travel and promotion	9	20,127	14,615
Payroll		130,666	-
Research and development		140,440	-
Consulting fees	9	202,965	105,000
Stock based compensation	7&8	-	9,677
<b>Loss before the following items</b>		<b>(928,006)</b>	<b>(146,573)</b>
Impairment reversal of exploration and evaluation assets	10	-	-
Depreciation		(619)	-
Accretion	11 & 12	-	(14,466)
Derivative fair value adjustment	12	-	260,741
Interest expense		-	(6,974)
<b>Net loss for the year</b>		<b>(928,625)</b>	<b>(92,727)</b>
<b>Other comprehensive loss</b>			
Fair value gain (loss) on investments	10	-	-
<b>Total comprehensive loss</b>		<b>(928,625)</b>	<b>(92,727)</b>
<b>Net loss per share - basic &amp; diluted</b>		<b>(0.01)</b>	<b>(0.00)</b>
Weighted average number of shares - basic & diluted		<b>161,932,651</b>	<b>33,150,355</b>

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