ANGEL BIOVENTURES INC.

Financial Statements

Years Ended December 31, 2014 and 2013

(expressed in Canadian dollars)

SATURNA GROUP
CHARTERED ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Angel Bioventures Inc.

We have audited the accompanying financial statements of Angel Bioventures Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2014 and 2013 and the statements of operations and 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 Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Saturna Group LLP

Chartered Accountants

Vancouver, Canada

April 20, 2015

ANGEL BIOVENTURES INC.
Statements of financial position
(Expressed in Canadian dollars)

	December 31, 2014 $	December 31, 2013 $
Assets		
Current assets		
Cash	122	31,417
Amounts receivable	1,083	6,535
Advances receivable	6,700	–
Total assets	7,905	37,952
Liabilities and shareholders' deficit		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	173,354	134,408
Due to related parties (Note 4)	238,500	210,500
Loans payable (Note 5)	20,000	22,836
Total current liabilities	431,854	367,744
Non-current liabilities		
Loan payable (Note 5)	30,000	30,000
Total liabilities	461,854	397,744
Shareholders' deficit		
Share capital	17,138,933	16,724,434
Share-based payment reserve	1,357,753	1,317,252
Share subscriptions received (Note 6)	–	455,000
Deficit	(18,950,635)	(18,856,478)
Total shareholders' deficit	(453,949)	(359,792)
Total liabilities and shareholders' deficit	7,905	37,952

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 11)

Approved and authorized for issuance on behalf of the Board on April 20, 2015:

Signed "Ken Ralfs" *Signed "Glen Macdonald"*

Ken Ralfs, Director Glen Macdonald, Director

(The accompanying notes are an integral part of these financial statements)

ANGEL BIOVENTURES INC.

Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended December 31, 2014 $	Year ended December 31, 2013 $
Expenses		
General and administrative	30,112	30,793
Management fees (Note 4)	30,000	37,500
Professional fees	7,505	11,383
Transfer agent and filing fees	17,485	18,355
Total expenses	85,102	98,031
Net loss before other expense	(85,102)	(98,031)
Other expense		
Interest expense	(9,055)	(28,918)
Net loss and comprehensive loss for the year	(94,157)	(126,949)
Loss per share, basic and diluted	(0.08)	(0.67)
Weighted average shares outstanding	1,164,704	188,852

(The accompanying notes are an integral part of these financial statements)

ANGEL BIOVENTURES INC.
Statements of changes in equity
(Expressed in Canadian dollars)

	Share Capital		Share-based payment reserve	Share subscriptions received	Deficit	Total shareholders' deficit
	Number of shares	Amount $	$	$	$	$
Balance, December 31, 2012	188,844	16,724,434	1,317,252	–	(18,729,529)	(687,843)
Share subscriptions received	–	–	–	500,000	–	500,000
Share issuance costs	–	–	–	(45,000)	–	(45,000)
Net loss for the year	–	–	–	–	(126,949)	(126,949)
Balance, December 31, 2013	188,844	16,724,434	1,317,252	455,000	(18,856,478)	(359,792)
Issuance of common shares	1,000,000	455,000	–	(455,000)	–	–
Share issuance costs	–	(40,501)	40,501	–	–	–
Net loss for the year	–	–	–	–	(94,157)	(94,157)
Balance, December 31, 2014	1,188,844	17,138,933	1,357,753	–	(18,950,635)	(453,949)

(The accompanying notes are an integral part of these financial statements)

ANGEL BIOVENTURES INC.

Statements of cash flows
(Expressed in Canadian dollars)

	Year ended December 31, 2014 $	Year ended December 31, 2013 $
Operating activities		
Net loss	(94,157)	(126,949)
Changes in non-cash operating working capital:		
Amounts receivable	5,452	(4,632)
Advances receivable	(6,700)	–
Accounts payable and accrued liabilities	38,946	(123,605)
Due to related parties	28,000	30,000
Net cash used in operating activities	(28,459)	(225,186)
Financing activities		
Proceeds from issuance of common shares	–	500,000
Share issuance costs	–	(45,000)
Proceeds from loans payable	–	31,626
Repayments of loans payable	(2,836)	(230,227)
Net cash provided by financing activities	(2,836)	256,399
Increase (decrease) in cash	(31,295)	31,213
Cash, beginning of year	31,417	204
Cash, end of year	122	31,417
Non-cash investing and financing activities:		
Fair value of finder's warrants issued	40,501	–
Supplemental disclosures:		
Interest paid	–	62,818
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Angel Bioventures Inc. (the "Company") was incorporated on August 31, 1993 under the Alberta Business Corporations Act and is located at 6012 – 85 Avenue, Edmonton, Alberta, Canada. The Company was a resource exploration company in the business of acquiring and exploring mineral properties until August 28, 2013 when the Company changed its name to Angel Bioventures Inc. Currently, the Company is looking for new investment opportunities.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2014, the Company has a working capital deficit of $423,949 and has an accumulated deficit of $18,950,635. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee.

These financial statements have been prepared on a historical cost basis. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of accounting estimates and assumptions include the fair value of stock-based compensation, and deferred income tax asset valuation allowances. Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the fair value of stock-based compensation.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of change in value to be cash equivalents.

2. Significant Accounting Policies (continued)

(d) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss is stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable and advances receivable.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, loans payable, and amounts due to related parties.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Non-derivative financial liabilities (continued)

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(e) Income 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. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2014, the Company had 1,090,000 (2013 – nil) potentially dilutive shares.

(g) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations. The Company does not have any items affecting comprehensive income or loss.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(h) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(i) Future Changes in Accounting Standards

A number of new standards, and amendments to standards and interpretations, are effective for the year ended December 31, 2014, and have not been applied in preparing these financial statements.

(i) IFRS 9, *Financial Instruments* (New)
(ii) IFRS 10, *Consolidated Financial Statements* (Amended)
(iii) IFRS 11, *Joint Arrangements* (New)
(iv) IAS 16, *Property, Plant, and Equipment* (Amended)
(v) IAS 27, *Separate Financial Statements* (Amended)
(vi) IAS 28, *Investments in Associates and Joint Ventures* (Amended)
(vii) IAS 38, *Intangible Assets* (Amended)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Accounts Payable and Accrued Liabilities

	2014 $	2013 $
Trade payables	153,155	123,245
Accrued interest payable	20,199	11,163
	173,354	134,408

4. Related Party Transactions

(a) At December 31, 2014, the Company owed $201,000 (2013 - $173,000) to the Chief Executive Officer of the Company for management fees, which is unsecured, non-interest bearing, and due on demand.

(b) At December 31, 2014, the Company owed $37,500 (2013 - $37,500) to a director of the Company for management fees, which is unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian dollars)

4. Related Party Transactions (continued)

(c) During the year ended December 31, 2014, the Company incurred $30,000 (2013 - $37,500) of management fees to a director of the Company.

5. Loans Payable

(a) As at December 31, 2014, the Company owed $30,000 (2013 - $30,000) to a non-related company. The amount owing is unsecured, bears interest at 10% per annum compounded semi-annually, and is due on September 20, 2016.

(b) As at December 31, 2014, the Company owed $20,000 (2013 – $20,000) to a non-related company. The amount owing is unsecured, bears interest at 20% per annum compounded monthly, and was due on February 24, 2014. The loan has not been extended but is continuing on a month-to-month basis.

(c) As at December 31, 2014, the Company owed $nil (2013 - $2,836) to a non-related company for financing of the Company's operations. The amount owing is secured by a general security agreement, bears interest at 8% per annum compounded semi-annually, and is due on demand.

6. Share Capital

Authorized: Unlimited common shares without par value
Unlimited first preferred shares without par value
Unlimited second preferred shares without par value

(a) On January 10, 2014, the Company issued 1,000,000 units for proceeds of $500,000, which was received as of December 31, 2013. Each unit consisted of one common share and one transferable common share purchase warrant exercisable at $0.70 per share until January 10, 2015. As part of the private placement, the Company paid finder's fees of $45,000 and issued 90,000 finder's warrants, which are exercisable into one common share of the Company at $0.70 per share until January 10, 2015. The fair value of the finder's warrants was $40,501, and was calculated using the Black-Scholes option pricing model assuming no expected dividends, volatility of 280%, risk-free rate of 0.40%, and an expected life of one year.

(b) On August 28, 2013, the Company approved a four-for-one reverse split of its issued and outstanding common shares, which has been applied on a retroactive basis.

7. Share Purchase Warrants

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2012 and 2013	–	–
Issued	1,090,000	0.70
Balance, December 31, 2014	1,090,000	0.70

As at December 31, 2014, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
1,090,000	0.70	January 10, 2015

8. Financial Instruments and Risks

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2014 $
Cash	122	–	–	122

The fair values of other financial instruments, which include amounts receivable, advances receivable, accounts payable and accrued liabilities, amounts due to related parties, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. Advances receivable relate to amounts prepaid to a non-related party for payment of the Company's operating expenses. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share subscriptions received, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2013.

(Expressed in Canadian dollars)

10. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2014 $	2013 $
Canadian statutory income tax rate	26.00%	25.75%
Income tax recovery at statutory rate	(24,481)	(32,690)
Tax effect of:		
Permanent differences and other	(11,700)	–
Change in enacted tax rates	–	(19,916)
Change in valuation allowance	36,181	52,606
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2014 $	2013 $
Deferred income tax assets		
Non-capital losses carried forward	565,087	536,596
Share issuance costs	9,542	364
Property and equipment	4,135	5,623
Total deferred income tax assets	578,764	542,583
Valuation allowance	(578,764)	(542,583)
Net deferred income tax assets	–	–

As at December 31, 2014, the Company has non-capital losses carried forward of $2,173,411, which are available to offset future years' taxable income. These losses expire as follows:

	$
2027	524,611
2029	549,163
2030	444,273
2031	257,646
2032	152,844
2033	135,292
2034	109,582
	2,173,411

11. Subsequent Event

On March 2, 2015 the Company approved a ten-for-one reverse split of its issued and outstanding common shares, which has been applied on a retroactive basis.