LEO ACQUISITIONS CORP.

(A CAPITAL POOL COMPANY)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

(Expressed in Canadian Dollars)

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leo Acquisitions Corp.

We have audited the accompanying financial statements of Leo Acquisitions Corp., which comprise the statement of financial position as at June 30, 2017 and the statement of comprehensive loss, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Leo Acquisitions Corp. as at June 30, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Other Matter

The financial statements of Leo Acquisitions Corp. for the year ended June 30, 2106, were audited by another auditor who expressed an unmodified opinion on those statements on October 5, 2016.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
October 27, 2017
Toronto, Ontario

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars)

	Note	2017	2016
ASSETS			
Current Assets			
Cash	3	$ 330,068	$ 314,177
Sales taxes recoverable		-	6,652
Prepaid expenses		1,413	1,250
		$ 331,481	$ 322,079
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		$ 57,663	$ 78,354
Shares to be issued	9	67,940	-
		125,603	78,354
Equity			
Share capital	5	586,509	550,509
Share option reserve	5	146,369	146,369
Deficit		(527,000)	(453,153)
		205,878	243,725
		$ 331,481	$ 322,079

Nature of Operations and Going Concern (Note 1)

Approved on Behalf of the Board

'Gerry Goldberg'	*'Michael Newman'*
Director	Director

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

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

(Expressed in Canadian Dollars)

	2017	2016
EXPENSES		
Professional fees	$ 30,548	$ 6,884
Filing fees	20,199	10,044
General and administrative	7,023	2,043
Stock-based compensation	-	23,257
Expenses to identify qualifying transaction	42,283	85,517
	100,053	127,745
LOSS BEFORE THE UNDERNOTED	(100,053)	(127,745)
Gain on debt settlement	26,206	-
NET LOSS AND COMPREHENSIVE LOSS	(73,847)	(127,745)
LOSS PER SHARE - BASIC AND DILUTED	$ (0.03)	$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	2,393,175	1,891,058

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

LEO ACQUISITIONS CORP.

(A CAPITAL POOL COMPANY)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

(Expressed in Canadian Dollars)

	Common Shares (i)		Share Capital		Share Option Reserve		Deficit		Total Equity
Balance at July 1, 2015	2,194,085	$	550,509	$	123,112	$	(325,408)	$	348,213
Stock-based compensation	-		-		23,257		-		23,257
Net loss	-		-		-		(127,745)		(127,745)
Balance at June 30, 2016	2,194,085	$	550,509	$	146,369	$	(453,153)	$	243,725
Issuance of common shares	727,272		36,000		-		-		36,000
Net loss	-		-		-		(73,847)		(73,847)
Balance at June 30, 2017	2,921,357	$	586,509	$	146,369	$	(527,000)	$	205,878

(i) Adjusted retrospectively for the 3.3 to 1 share consolidation that occurred on October 18, 2016.

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

LEO ACQUISITIONS CORP.
(A CAPITAL POOL COMPANY)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

(Expressed in Canadian Dollars)

		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(73,847)	$	(127,745)
Item not requiring an outlay of cash:				
Stock-based compensation		-		23,257
Changes in non-cash working capital:				
Sales taxes recoverable		6,652		(1,729)
Prepaid expenses		(163)		(1,250)
Accounts payable and accrued liabilities		(20,691)		13,979
CASH USED IN OPERATING ACTIVITIES		(88,049)		(93,488)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares		36,000		-
Proceeds from subscription deposits received		67,940		-
CASH PROVIDED BY FINANCING ACTIVITIES		103,940		-
NET INCREASE (DECREASE) IN CASH		15,891		(93,488)
CASH, BEGINNING OF YEAR		314,177		407,665
CASH, END OF YEAR	$	330,068	$	314,177

SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Leo Acquisitions Corp. (the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Ontario) on October 28, 2009. The Company is a "Capital Pool Corporation" ("CPC"), as defined in policy 2.4 of the TSX Venture Exchange (the "Exchange") with a view to completing a Qualifying Transaction. The Company was unable to complete a Qualifying Transaction within the time limits prescribed by the Exchange. As a result, on May 16, 2013, the Company’s common shares were transferred to the NEX board of the Exchange, and are listed under the symbol “LEQ.H".

As at June 30, 2017, the Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limits permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company’s shares from trading.

The Company’s registered address and principal place of business is 2300 Yonge Street, Suite 1500, Toronto, Ontario, M4P 1E4.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

These financial statements were approved by the Company’s board of directors and authorized for issue on October 27, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below. Historical cost is based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

The financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Cash is classified as fair value through profit or loss.

Financial assets classified as held to maturity and loans and receivable are measured at amortized cost using the effective interest rate method. Sales taxes recoverable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. No financial assets were classified as available for sale.

Transaction costs associated with fair value through profit or loss are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss is measured at fair value with unrealized gains and losses recognized through profit or loss. The Company has no financial liabilities at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments;

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under difference assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Critical estimates used in the preparation of these financial statements include, among others, the recoverability of sales taxes recoverable, the valuation of share-based compensation and recognition of deferred income tax amounts, and the estimated amount of accrued liabilities. Actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company accounts for income taxes in accordance with the liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-Based Compensation

The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

Loss Per Share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. The dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the year. Diluted earnings (loss) per share calculation assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings (loss) per share. The effects of stock options on the weighted number of shares are not included in the calculation of diluted loss per share as it would be anti-dilutive.

Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

The following standards were issued but are not yet effective:

(a) IFRS 9, *Financial Instruments* ("IFRS 9"), introduces new requirements for the classification and measurement of financial instruments as defined in IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The final version of IFRS 9 is effective for periods beginning on or after January 1, 2018, however early adoption is permitted. Management has assessed that there will be no significant impact of adopting this standard on the financial statements.

(b) IFRS 15, *Revenue From Contracts With Customers* ("IFRS 15"), establishes principles for reporting information about the nature, amount, and timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard is effective for periods beginning on or after January 1, 2018, however early adoption is permitted. Management has assessed that there will be no significant impact of adopting this standard on the financial statements.

(c) IFRS 16, *Leases* ("IFRS 16"), was issued on January 13, 2016. The new standard will replace existing lease guidance in IFRS and related interpretations, and requires lessees to bring most leases on-balance sheet. The financial reporting impact of adopting IFRS 16 is being assessed. The new standard is effective for years beginning on or after January 1, 2019. Early adoption will be permitted only if the company has adopted IFRS 15 Revenue from Contracts with Customers. Management is currently evaluating the impact of adopting this standard on the financial statements.

3. CASH

Cash Restriction

Cash consists of cash held in trust by the Company's lawyers. The gross proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of shares and $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. As of June 30, 2017, the Company has exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

Fair Value Hierarchy

As at June 30, 2017 and 2016 the Company has only one financial instrument carried at fair value, which is cash. Cash is a Level 1 instrument measured based on quoted market prices. There were no transfers between the levels of the fair value hierarchy during the years then ended.

4. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued share capital, share option reserve and accumulated deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating Qualifying Transactions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional capital through the issuance of equity.

The Company is not subject to any externally imposed capital requirements other than the cash restriction disclosed in note 3. There has been no change with respect to the overall capital risk management strategy during the year ended June 30, 2017.

5. SHARE CAPITAL

Authorized, Issued, and Outstanding

The Company is authorized to issue an unlimited number of common shares.

On October 18, 2016, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for 3.3 pre-consolidation common shares. All share quantities in the financial statements are reflected on a post-consolidation basis.

On October 21, 2016, the Company issued 727,272 common shares under a private placement at a price of $0.0495 per share for gross proceeds of $36,000.

Included in the issued and outstanding shares are 303,027 seed shares which were issued at a price of $0.165 per common share which are subject to a CPC Escrow Agreement pursuant to the policies of the Exchange. Under the terms of the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow upon receiving notice from the Exchange that the Company has completed a Qualifying Transaction (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. Shares held in escrow will be cancelled should the Company fail to complete its Qualifying Transaction or become de-listed.

Stock Options

The Company awards stock options to directors, officers and technical consultants under an incentive stock plan (the "Plan"). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Compensation expense is recognized when options are issued. The board of directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five years from the date of grant.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Stock Options (Continued)

The following table reflects the continuity of stock options for the periods presented:

	2017			2016		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of year	219,407	$	0.33	234,561	$	0.33
Granted (ii)	-		-	219,407		0.33
Exercised	-		-	-		-
Expired (i)	-		-	(234,561)		0.33
Outstanding, end of year	219,407	$	0.33	219,407	$	0.33
Exercisable, end of year	219,407	$	0.33	219,407	$	0.33

(i) On February 2, 2016, all issued and outstanding stock options of the Company expired unexercised.

(ii) On February 17, 2016, the Company granted 219,407 stock options to its current directors at an exercise price of $0.33 per common share. These options vest immediately and are exercisable for a period of five years from the date of the grant. The estimated fair value of the 219,407 options has been estimated to be $23,257 at the grant date using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.65%; expected volatility of 100% based on the expected market price of comparable companies; forfeiture rate of 0%; and an expected average life of five years.

(iii) Option quantities and weighted average exercise prices are adjusted retrospectively for the 3.3 to 1 share consolidation that occurred on October 18, 2016.

The weighted average remaining contractual life of stock options as of June 30, 2017 is 3.67 years (2016 - 4.67 years).

The Company had the following stock options outstanding and exercisable as at June 30, 2017:

Number of Options Outstanding	Exercise Price $	Expiry Date
219,407	0.33	February 17, 2021

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Loss Per Share

Basic and diluted loss per common share are calculated as follows:

Numerator:	**2017**	**2016**
Net loss	$ (73,847)	$ (127,745)

Denominator:	**2017**	**2016**
Weighted average number of common shares outstanding	2,696,202	2,194,085
Less: Contingently issuable shares outstanding (i)	(303,027)	(303,027)
Weighted average number of common shares outstanding - basic	2,393,175	1,891,058
Add: Dilutive effect of stock options outstanding (ii)	-	-
Weighted average number of common shares outstanding - diluted	2,393,175	1,891,058

Loss Per Share:	**2017**	**2016**
Basic	$ (0.03)	$ (0.07)
Diluted	$ (0.03)	$ (0.07)

(i) The Company's outstanding seed shares are considered to be contingently issuable and are excluded from the calculation of loss per share under International Accounting Standard 33 *Earnings Per Share*.

(ii) The Company has 219,407 stock options outstanding which have been excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Maximum Share Dilution

The following table presents the maximum number of common shares that would be outstanding if all stock options were exercised:

	2017	**2016**
Common shares outstanding	2,921,357	2,194,085
Stock options to purchase common shares	219,407	219,407
Fully diluted common shares outstanding	3,140,764	2,413,492

(Expressed in Canadian Dollars)

6. INCOME TAXES

Income Tax Expense

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

		2017		2016
Loss before taxes	$	(73,847)	$	(127,745)
Corporate tax rate		26.50 %		26.50 %
Expected recovery at statutory rates		(19,569)		(33,852)
Stock-based compensation		-		6,163
Change in deferred tax assets not recognized		19,569		27,689
Income tax expense	$	-	$	-

The components of income tax expense are as follows

		2017		2016
Current income taxes		(19,569)		(27,689)
Deferred income taxes		19,569		27,689
Income tax expense	$	-	$	-

Deferred Taxes

The components of deferred income taxes have been determined at the combined federal and provincial statutory rate of 26.5% (2016 - 26.5%) and are as follows:

		2017		2016
Non-capital losses available for carry-forward	$	146,987	$	127,418
Deferred tax asset not recognized		(146,987)		(127,418)
Deferred tax asset	$	-	$	-

(Expressed in Canadian Dollars)

6. INCOME TAXES (Continued)

Deferred Taxes (Continued)

The Company has non-capital losses of approximately $554,671, which are available to be carried forward and used against future taxable income. These losses expire as follows:

2030	$	13,530
2031		51,552
2032		62,135
2033		101,014
2034		41,874
2035		106,231
2036		104,488
2037		73,847
	$	554,671

7. FINANCIAL INSTRUMENTS AND RISK FACTORS

Risk management is carried out by the officers of the Company as discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are appropriately mitigated.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures.

As at June 30, 2017, the Company has liabilities of $125,603 (2016 - $78,354) due within twelve months and has cash of $330,068 (2016 - $314,177) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit Risk

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. Cash is held in trust by the Company's lawyers. The Company manages the credit exposure related to cash by making sure that the lawyers maintain bank accounts with recognized Schedule I banks in Canada. The carrying amount of cash and sales taxes recoverable represent the maximum credit exposure.

8. SEGMENTED INFORMATION

The Company operates in only one business segment, namely the pursuit of a Qualifying Transaction. All of the Company's assets are located in Canada.

9. SUBSEQUENT EVENTS

Private Placement

On July 11, 2017, the Company issued 1,308,000 common shares under a private placement at a price of $0.055 per share for total proceeds of $71,940. Of this amount, $67,940 was collected prior to June 30, 2017 and is presented as shares to be issued on the statement of financial position.

Letter of Intent

On October 16, 2017, the Company entered into a signed Letter of Intent (the "LOI") for the arm's-length acquisition of all of the issued and outstanding shares of Blue Nordic Partners Inc. ("BNP"), a private corporation incorporated pursuant to the laws of the Province of New Brunswick, which outlines the general terms and conditions pursuant to which the Company and BNP would be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of BNP (the "RTO"). The proposed transaction is intended to constitute the Company's Qualifying Transaction as such term is defined in the policies of the Exchange. The LOI was negotiated at arm's length and was effective as of October 16, 2017.

It is anticipated that each of Leo and BNP will hold an annual and special shareholders meeting on or about December 18, 2017 or such other date to which the parties mutually agree, to seek approval for, among other things, the RTO.

The RTO is expected to be completed by way of a share exchange, plan of arrangement, amalgamation or other form of business combination determined by the legal and tax advisors to each of Leo and BNP, each acting reasonably, which will result in BNP becoming a wholly-owned subsidiary of Leo or otherwise combining its corporate existence with that of Leo (the "Resulting Issuer"). The Resulting Issuer will carry on the business heretofore carried on by BNP upon completion of the RTO.

The LOI contemplates that Leo and BNP will promptly negotiate and enter into a definitive agreement (the "Definitive Agreement"), together with such other documents that may be required to effect such filings and applications as are required in order to more fully delineate, formalize and execute the terms of the RTO as outlined in the LOI.

9. SUBSEQUENT EVENTS (Continued)

Letter of Intent (Continued)

Completion of the RTO is subject to a number of conditions, including but not limited to, TSX Venture Exchange approval pursuant to applicable requirements of the TSX Venture Exchange and satisfaction of the listing criteria on the securities exchange on which the shares of the Resulting Issuer are to be listed. The RTO cannot close until the required shareholder, regulatory and other approvals are obtained. There can be no assurance that the RTO will be completed as proposed or at all.