MIDPOINT HOLDINGS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2016 AND 2015

(Unaudited)

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Midpoint Holdings Ltd. were prepared by management in accordance with International Financial Reporting Standards. The most significant of these standards are set out in the note 2 of these financial statements. Any applicable changes in accounting policies have also been disclosed in these unaudited interim condensed consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the unaudited interim financial statements together with other financial information. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying financial statements of the Company have been prepared by and are the responsibility of the Company's management.

MIDPOINT HOLDINGS LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2016 AND JUNE 30, 2015
(Amounts in Canadian dollars)
(Unaudited)

	March 31, 2016	June 30, 2015
ASSETS		
CURRENT ASSETS		
Cash (note 3)	**$ 344,272**	$ 382,332
Accounts receivable and prepaid expenses	**121,501**	26,703
Share subscriptions receivable	**51,113**	99,900
Total current assets	**516,886**	508,935
EQUIPMENT	**2,628**	2,763
INTANGIBLES (note 4)	**459,843**	571,029
TOTAL ASSETS	**$ 979,357**	$ 1,082,727
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**$ 127,176**	$ 460,934
Settlement payable (note 7)	**47,116**	-
Total current liabilities	**174,292**	460,934
SHAREHOLDERS' EQUITY		
Share capital (note 5)	**11,284,070**	10,370,309
Warrants and options reserve	**375,000**	375,000
Contributed surplus (note 5)	**627,974**	627,974
Accumulated other comprehensive loss	**(416,344)**	(431,896)
Accumulated deficit	**(11,065,635)**	(10,319,594)
Total shareholders' equity	**805,065**	621,793
	$ 979,357	$ 1,082,727

Nature of operations (note 1)

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

On behalf of the Board:

Signed: *"Corbin Comishin"*
Director

Signed: *"David Wong"*
Director

MIDPOINT HOLDINGS LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2016 AND 2015
(Amounts in Canadian dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
REVENUE	**$ 71,548**	$ 44,783	$ 194,860	$ 112,810
TRANSACTION COSTS	**40,983**	28,320	123,721	58,797
GROSS MARGIN	**30,565**	16,463	71,139	54,013
OTHER INCOME				
Interest income	-	329	14	342
Unrealized consolidation gain	-	-	-	2,498
Wage expense reimbursement	**37,000**	-	37,000	-
Foreign exchange gain	**34,729**	48,766	38,500	77,060
Total other income	**71,729**	49,095	75,514	79,900
	102,294	65,558	146,653	133,913
EXPENSES				
Amortization and depreciation (note 4)	**28,304**	21,453	64,114	75,300
Filing fees and transfer fees	**1,979**	60,967	17,904	91,558
General and administrative expenses	**15,511**	39,592	84,835	125,658
Marketing	**34,580**	49,867	120,562	161,663
Professional & consulting fees	**69,965**	20,323	234,313	66,350
Settlment expense (note 7)	**85,076**	-	85,076	-
Wages	**20,834**	150,119	285,890	438,175
Total expenses	**256,249**	342,321	892,694	958,704
NET LOSS FOR THE PERIOD	**(153,955)**	(276,763)	(746,041)	(824,791)
FOREIGN CURRENCY TRANSLATION	**3,920**	-	15,552	-
NET LOSS AND COMPREHENSIVE LOSS	**$(150,035)**	$(276,763)	$(730,489)	$(824,791)
Basic and diluted weighted average shares outstanding	**67,988,859**	58,059,160	67,988,859	58,059,160
Basic and diluted net loss per share	**$ (0.002)**	$ (0.005)	$ (0.011)	$ (0.014)

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

MIDPOINT HOLDINGS LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2016 AND 2015
(Amounts in Canadian dollars)
(Unaudited)

	March 31, 2016	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**$(746,041)**	$(824,791)
Item not affecting cash		
Amortization	**64,114**	75,300
	(681,927)	(749,491)
Net changes in non-cash working capital items relating to operating activities		
Accounts receivable and share subscriptions receivable	**(46,011)**	(37,921)
Accounts payable and accrued liabilities	**(286,453)**	(83,282)
Net cash (used in) operating activities	**(1,014,391)**	(870,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	**913,761**	620,000
Cash provided by financing activities	**913,761**	620,000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	**(61,421)**	(216,044)
Reduction of intangible assets	**108,493**	-
Cash Provided By (Used For) Investing Activities	**47,072**	(216,044)
NET (DECREASE) INCREASE IN CASH	**(53,558)**	(466,738)
CASH, BEGINNING OF PERIOD	**382,332**	900,386
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	**15,498**	-
CASH, END OF PERIOD	**$ 344,272**	$ 433,648

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

MIDPOINT HOLDINGS LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(Amounts in Canadian dollars)
(Unaudited)

	Number of Shares issued	Amount	Contributed Surplus	Warrants Options Reserves	Shares To Be Issued	Accumulated Deficit	Accumulative Other Comprehensive Income	Total Shareholder's Equity
Balance, June 30, 2014	51,859,160	$ 9,594,018	$ 223,556	$ 554,418	$ -	$(9,052,288)	$(431,695)	$ 906,009
Shares issued	6,200,000	620,000	-	-	-	-	-	620,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(824,791)	-	(824,791)
Balance as at March 31, 2015	58,059,160	$ 10,214,018	$ 223,556	$ 554,418	$ -	$(9,877,079)	$(413,695)	$ 701,836
Balance, June 30, 2015	60,294,582	$ 10,370,309	$ 627,974	$ 375,000	-	$ (10,319,594)	$(431,896)	$ 621,793
Shares issued	7,694,277	913,761	-	-	-	-	-	913,761
Net loss and comprehensive loss for the period	-	-	-	-	-	(746,041)	15,552	(730,489)
Balance as at March 31, 2016	67,988,859	$ 11,284,070	$ 627,974	$ 375,000	$ -	$ (11,065,635)	$(416,344)	$ 805,065

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Midpoint Holdings Ltd. (the "Company" or "Midpoint") was incorporated under the Business Corporations Act (B.C.) on April 15, 2010. The Company (which has generated no significant revenues to date) is a web-based enterprise that matches buyers and sellers of foreign currency and transfers the funds to their desired location through an intermediary third party payment provider. The Company and its wholly-owned subsidiary Midpoint & Transfer Ltd. ("Midpoint") receive fees from all parties for matching the currency exchanges and transferring the funds. The Company does not take part in any of the business that its users may enter into.

Going concern

The ability of the Company to obtain necessary financing to market its platform, fund unmatched trades and recover administrative expenses is uncertain. The ability of the Company to generate revenue to offset the expenses and obtain profitability is also uncertain. The Company had a net loss of $153,955 for the three months ended March 31, 2016 (2015 - $276,763). The Company will require additional financing from time to time, which it intends to obtain through the issuances of common shares. While the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

As of March 31, 2016, the Company had cash and cash equivalents of $344,272 (representing a decrease of $38,060 from June 30, 2015).

As of March 31, 2016, the Company had positive working capital of $342,594 as compared to positive working capital of $48,001 as at June 30, 2015.

The Company plans to manage future liquidity risk by generating cash flow from operations and limiting expenses until the operations are profitable.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of November 21, 2014, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these interim condensed consolidated financial statements as compared with the most recent annual financial statements as at and for the period ended June 30, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for period ending June 30, 2015 could result in restatement of these condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective.

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated statements as at and for the period ended June 30, 2015.

3. CASH

At March 31, 2016 and June 30, 2015 the Company had cash of $344,272 and $382,332 respectively. The Company maintains cash in various banks including a bank in Canada and several in the United Kingdom.

4. INTANGIBLES

Patents & software	March 31, 2016	June 30, 2015
Cost		
Balance, at beginning of period	**$ 824,970**	$ 567,592
Additions	**16,535**	320,985
Balance, at end of period	**841,505**	888,577
Accumulated Depreciation		
Balance, at beginning of period	**353,358**	207,590
Depreciation for period	**28,304**	109,958
Balance, at end of period	**381,662**	317,548
Net Book Value	**$ 459,843**	$ 571,029

It is the companies policy to capitalize expenses related to software as software assets. In the three months ended March 31, 2016, $16,535 was expended and added as software assets.

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized

As at March 31, 2016, the Company had authorized unlimited common shares.

Issued and outstanding

A summary of share transactions and shares issued and outstanding is as follows:

	Number of Shares	Share Capital	Contributed Surplus	Total
Balance, March 31, 2016	67,988,859	$ 11,284,070	$ 627,974	$ 11,912,044

On March 31, 2016 the Company completed a private placement for a total of 4,807,600 units at a price of $0.10 per unit for total proceeds of $480,760. Each unit comprises one common share and one half of one common share purchase warrant exercisable at $0.20 for 24 months from closing.

6. SUBSEQUENT EVENTS

On May 12, 2016 the Company completed a private placement for a total of 1,270,000 units at a price of $0.10 per unit for total proceeds of $127,000. Each unit comprises one common share and one half of one common share purchase warrant exercisable at $0.20 for 24 months from closing.

The remaining 8,124,607 shares held in escrow at March 31, 2016 were released on April 30, 2016.

7. COMMITMENTS AND CONTINGENT LIABILITIES

On November 23, 2015 the CEO resigned from his duties with the company. The Company has entered into an agreement to pay $500,000 to the former CEO when the company obtains sufficient funding. The agreement is based on the company's future capital or debt raises. Ten percent of all amounts raised in capital or debt is designated to pay the requirements of the severance until the amount is extinguished.

Ten percent of the March 31, 2016 private placement proceeds have been recorded as an accrued liability in the current period in the amount of $48,076 as a payment towards the balance owing to the former CEO.