

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number: **000-54906**

CANTABIO PHARMACEUTICALS INC.
(Exact name of registrant specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

99-0373067

(I.R.S. Employer Identification No.)

1250 Oakmead Pkwy
Sunnyvale, California
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **844-200-2826**

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

<u>Title of Each Class</u>	<u>Name of Exchange on which Registered</u>
None	None

Securities Registered Pursuant to Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The Registrant did not have a public float on the last business day of its most recently completed second fiscal quarter because there was no public market for the registrant's common equity as of such date.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the most recent

price at which the common equity was sold: \$667,052.57 as of September 30, 2017.

The number of shares outstanding of the issuer's class of common equity, as of July 9, 2018 was 53,863,584.

DOCUMENTS INCORPORATED BY REFERENCE

None.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. To the extent that any statements made in this report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as “expects”, “plans”, “may”, “anticipates”, “believes”, “should”, “intends”, “estimates”, and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, our ability to raise additional capital to finance our activities; our ability to conduct clinical trials and Phase I, Phase II and Phase III studies; the results of any such trials and studies; the effectiveness, profitability and marketability of our products, if any are ever produced; legal and regulatory risks associated with the share exchange; the future trading of our common stock; our ability to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in our filings with the Securities and Exchange Commission (the “SEC”), or otherwise.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements. As a result, investors should not place undue reliance on these forward-looking statements.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy documents referred to in this Annual Report on Form 10-K that have been filed with the SEC at the SEC’s Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You can also obtain copies of our SEC filings by going to the SEC’s website at <http://www.sec.gov>.

REFERENCES

As used in this annual report: (i) the terms “we”, “us”, “our”, “Cantabio” and the “Company” mean Cantabio Pharmaceuticals Inc.; (ii) “SEC” refers to the Securities and Exchange Commission; (iii) “Securities Act” refers to the United States *Securities Act of 1933*, as amended; (iv) “Exchange Act” refers to the United States *Securities Exchange Act of 1934*, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Overview

We are a preclinical stage biotechnology company focusing on commercializing novel therapies and the intellectual property generated from our research and development activities for Parkinson's disease (PD) and Alzheimer's disease (AD) and any other related diseases. Our strategy involves integrating therapeutic focus, target family biophysics, drug discovery technology and expertise into an innovative drug discovery approach, which identifies and develops small molecule pharmacological chaperones for clinical trials. In addition, our research efforts concentrate on the development of therapeutic proteins that can pass through the blood-brain barrier and supplement in vivo levels of proteins which display loss of function during disease conditions. Our small molecule therapy candidates program (CB101) and our protein therapy candidate (CB201) initially targets Parkinson's disease and thereafter potentially a broad range of neurodegenerative diseases including Alzheimer's disease, amyotrophic lateral sclerosis (ALS), Huntington's disease and stroke. We also have 2 additional small molecule pharmacological chaperone programs for the treatment of Alzheimer's Disease (and other related dementias); CB301, targeting the Tau protein, a leading target for the development of Alzheimer's therapeutics, and CB401, targeting the A β peptide, again a well-established target in Alzheimer's drug research. We plan to advance a candidate from our CB101 program into clinical trials in 2020.

Our Drug Discovery Approach

Our mission is to commercialize innovative drug candidates with novel mechanisms of action as well as intellectual property generated from our research activities for neurodegenerative diseases such as Alzheimer's and Parkinson's disease. Our research efforts focus on the discovery and development of therapeutic small molecule pharmacological chaperones targeting proteins that misfold and aggregate in vivo.

Focusing on specific therapeutic targets we thoroughly investigate target family biophysics, bringing together a combination of drug discovery technologies, from initial screening through to specific disease assays, and understanding of disease biology into our innovative drug discovery approach, through which we identify and develop small molecule pharmacological chaperones and protein based therapies for clinical trials for neurodegenerative and other diseases.

A pharmacological chaperone is a small molecule that can enter cells and bind to either a folded or misfolded structure of a protein to stabilize it or route it to the native folded functional form.

Our therapeutic targets consist of proteins that misfold, aggregate and lose their function or/and gain a toxic function in vivo. Our small molecule pharmacological chaperones are designed to stabilize the native functional form of specific protein targets, thereby reducing their misfolding and aggregation and enabling the target protein's function or preventing and/or eliminating the toxic function caused by these changes.

The use of pharmacological chaperones is a unique therapeutic approach that can directly target specific proteins to improve native function and protect from toxic function and thereby treat disease. We are applying a proprietary process to discover novel small molecule pharmacological chaperone drug candidates by applying biophysics based screening technologies in combination with cell-based models of the targeted diseases, which provide validation of the therapeutic effect of the identified pharmacological chaperones. In many cases, we can apply structure-based drug design for hit to lead and lead optimization.

In addition, we are pursuing the application of protein delivery technologies that enable the delivery of proteins into patients' brain, supplementing low functional levels of these proteins in disease conditions. Our therapeutic targets in this project are proteins, which display loss of function in disease-affected cells. Our technologies involve the development and application of novel protein constructs, fusing specific proteins with unique cell permeable polypeptides, with the capability to pass through the blood-brain barrier and enter the central nervous system.

Research and Development Pipeline

Our research and development pipeline currently includes two lead therapeutic small molecule programs, CB101 for Parkinson's and CB301 for Alzheimer's, and one protein therapeutic program CB201 that we are developing for the potential treatment of Parkinson's disease. In addition, we are developing one therapeutic small molecule program, CB401, for the treatment of Alzheimer's Disease.

The following table summarizes the status and projected milestones of our research and development programs:

Therapeutic product candidate	Description of product candidate	Targeted indication	Preclinical	PI	PII	PIII	Upcoming Milestones	Commercial rights
CB101	DJ-1 targeting small molecule pharmacological chaperone	Parkinson's Disease	x				Selection of clinical candidate in 2020	Cantabio
CB201	CNS penetrant engineered DJ-1 protein	Parkinson's Disease	x				Selection of clinical candidate in 2019	Cantabio
CB301	Tau targeting small molecule pharmacological chaperone	Alzheimer's Disease	x				Selection of clinical candidate in 2020	Cantabio
CB401	A β targeting small molecule pharmacological chaperone	Alzheimer's Disease	x				Currently in proof of concept studies	Cantabio

Our Lead Programs

CB101 for Parkinson's Disease

Parkinson's Disease is a progressive, chronic, degenerative neurological disorder that attacks the neurons in the brain, resulting ultimately in death. Motor symptoms of PD are resting tremor, slowness of movement, postural instability, rigidity and cognitive impairment, ranging from mild memory difficulties to dementia, and mood disorders, such as depression and anxiety. At least 1 million people in the United States and more than 7 million worldwide have PD. Currently only symptomatic treatments are available for PD, which provide only temporarily treatment.

Our CB101 program focuses on targeting DJ-1, a protein considered to be one of the primary therapeutic targets for PD. DJ-1 is genetically linked to familial and sporadic PD and potentially to sporadic AD and other neurodegenerative diseases. During high oxidative stress condition, which is linked to the onset of neurodegenerative diseases, DJ-1 protein is activated and initiates cellular mechanisms for the reduction oxidative stress and protein misfolding. During aging and in disease, the DJ-1 protein can be specifically oxidized leading to its misfolding, inactivation, and ultimately to its loss of function. The therapeutic targeting of DJ-1 could yield added mechanistic benefits: protection from oxidative stress and protein misfolding such as the aggregation of alpha-synuclein, a protein whose aggregation is a pathological hallmark of PD.

Using our pharmaceutical chaperone drug discovery strategy, we identified a number of novel small molecule scaffolds that potently bind to the DJ-1 protein and from these selected molecules that were shown to rescue a variety of cells and primary neurons from oxidative stress. Within the CB101 and CB102 programs, there are a number of small molecule pharmacological chaperone therapeutic candidates that target the DJ-1 protein. Several of these candidates have demonstrated survival benefits from oxidative stress toxicity in an in vivo model, with one demonstrating significant efficacy in a mammalian oxidative stress disease model for Parkinson's. All these compounds are in continuing development as potential disease modifying therapeutics for PD.

CB201 for Parkinson's Disease

Our CB201 program focuses on supplementing low levels of active DJ-1 in the brain during disease condition such as PD. Delivering DJ-1 into the brain has been possible by fusing native DJ-1 with a small cell penetrating peptide. Such DJ-1 protein system was shown to protect in vivo models of oxidative stress in rodents. We are applying such protein delivery technology, which enables the delivery of the DJ-1 protein into patients' brain to enhance DJ-1 activity to reduce oxidative stress and protein misfolding that are linked to the onset and progression of PD. CB201 is a novel protein therapeutic candidate which consists of DJ-1 fused with a cell penetrating peptide.

CB301 for Alzheimer's Disease

Alzheimer's Disease is progressive, chronic, degenerative neurological disorders that attack the neurons in the brain resulting ultimately in death. AD results in loss of memory, thinking and language skills, and behavioral changes. AD is among the 6th leading causes of death in the United States, and approximately 5.4 and 36 million people have AD in the United States and world-wide, respectively. Currently there are only short-term temporary symptomatic treatments available for AD.

Our CB301 program focuses on targeting the Tau protein for AD. The aggregation of the Tau protein has been linked to the on-set and progression of AD. CB301 is a small molecule pharmacological chaperone of the Tau protein. Cantabio has developed novel compounds that are believed to exert their functional effect by binding to monomeric species of the Tau protein thereby reducing their oligomer and amyloid formation in disease conditions. The use of small molecules to reduce and inhibit this aggregation process has high potential as a therapeutic approach through the prevention of the formation of toxic oligomers. Cantabio's scientific team are progressing these into cellular and animal model studies related to AD and towards clinical trials.

CB401 for Alzheimer's Disease

Our CB401 program focuses on targeting the A β peptide for AD. The aggregation of the A β peptide has been linked to the on-set and progression of AD. CB401 is a small molecule pharmacological chaperone developed to bind to and stabilize the A β peptide. Cantabio's novel compounds that are believed to exert their functional effect by binding to monomeric species of the A β peptide thereby reducing their oligomer and amyloid formation in disease conditions. The use of small molecules to reduce and inhibit this aggregation process has high potential as a therapeutic approach through the prevention of the formation of toxic oligomers. Cantabio's scientific team are progressing these into cellular and animal model studies related to AD and towards clinical trials.

Our Additional Discovery Programs Targeting AD

Our therapeutic research efforts also focus on other discovery stage small molecule pharmacological chaperone programs for AD and PD. We are also pursuing additional protein therapeutic candidates for AD and PD using protein delivery technology. We expect that any of these programs could advance to preclinical development in the future.

Our Strategy

Our aim is to be the leading biotechnology company focused on commercializing innovative pharmacological chaperone drug candidates and blood-brain penetrant proteins with novel mechanism of action, generated from our research and development activities for neurodegenerative diseases such as Alzheimer's and Parkinson's disease.

- ***Continue to discover pharmacological chaperones targeting novel targets involved in protein misfolding diseases.***
We will continue to leverage our core scientific expertise and proprietary technology to develop innovative pharmacological chaperone drug candidates for the potential treatment of a range of diseases.
- ***Continue to engineer blood-brain penetrant proteins to supplement low levels of an active protein involved in protein misfolding diseases.***
We will continue to leverage our core scientific expertise and proprietary technology to develop engineered blood-brain penetrant proteins for the potential treatment of a range of diseases.
- ***Translation of our research discoveries into clinical development.***
Once we establish in vivo proof of concept for our pharmacological chaperone and/or engineered blood-brain penetrant proteins drug candidates, we use animal models to identify potential clinical candidates to rapidly advance to manufacturing and preclinical testing.
- ***Strategically collaborate or in- and out-license select programs.***
We intend to seek to collaborate or in- and out-license certain potentially therapeutic candidate products to biotechnology or pharmaceutical companies for preclinical and clinical development and commercialization.
- ***Highly leverage external talent and resources.***
We plan to maintain strong talent internally having expertise in our core areas of focus and as needed to execute efficiently on our R&D and business objectives. We operate by conducting in house R&D on critical elements in our drug discovery pipeline, while forming strategic alliances around novel technologies and outsourcing generic research activities to established contract research organizations. We plan to continue to rely on the extensive experience of our management team to execute on our objectives.
- ***Collaborate with scientific and clinical experts in disease areas of interest.***
We collaborate with highly regarded scientists having expertise in our disease areas of interest to test and characterize our pharmacological chaperone and engineered protein therapeutic candidates. We also collaborate with leading clinical experts in our disease areas of interest for feedback and guidance on our programs. In addition, we engage a number of consultants having specific functional and/or disease area expertise to execute our preclinical and clinical development programs.
- ***Evaluate commercialization strategies on a product-by-product basis in order to maximize the value of our product candidates or future potential products.***
As we move our drug candidates through development toward regulatory approval, we will evaluate several options for each drug candidate's commercialization strategy. These options include building our own internal sales force; entering into

a joint marketing partnership with another pharmaceutical or biotechnology company, whereby we jointly sell and market the product; and out-licensing our product, whereby another pharmaceutical or biotechnology company sells and markets our product and pays us a royalty on sales. Our decision will be made separately for each product and will be based on a number of factors including capital necessary to execute on each option, size of the market to be addressed and terms of potential offers from other pharmaceutical and biotechnology companies. It is too early for us to know which of these options we will pursue for our drug candidates, assuming their successful development.

Patents and Intellectual Property Rights

Although we do not currently hold any patents or license patented technology, we intend to protect our proprietary therapeutic product candidate assets and associated technologies that are important to our business by seeking and maintaining domestic and international patents. These may cover our products and compositions, their methods of use and processes for their manufacture and any other inventions that may be commercially important to the development of our business. We also rely on trade secrets to protect aspects of our business. Our competitive position depends on our ability to obtain patents on our technologies and our potential products, to defend our patents, to protect our trade secrets and to operate without infringing valid and enforceable patents or trade secrets of others. We seek licenses from others as appropriate to enhance or maintain our competitive position.

In connection with our CB101 program, small molecule pharmacological chaperone therapeutic candidates that target the DJ-1 protein we hold a worldwide, perpetual, non-exclusive, license, with the right to sublicense, all of the intellectual property related to the composition of matter of CB101 and plan to file U.S. and international patent applications in 2019. We have described the terms of this agreement in the Section entitled "Material Agreements".

In connection with our program CB201, a protein therapeutic candidate derived from DJ-1 fused with a cell penetrating peptide, we hold all intellectual property and plan to file U.S. and international patent application in 2019.

In connection with our CB301 program, small molecule pharmacological chaperone we hold a worldwide, non-exclusive license with the right to sub-license all of the intellectual property related to composition of matter of CB301 and plan to file US and international patents in 2018. We have described the terms of this agreement in the Section entitled "Material Agreements".

In connection with our program CB401, small molecule pharmacological chaperone therapeutic candidate that targets the Ab peptide, we hold a worldwide, perpetual, non-exclusive license, with the right to sublicense all of the intellectual property related to the composition of matter of CB301 and plan to file U.S. and international patent applications as soon as 2019. We have described the terms of this agreement in the Section entitled "Material Agreements".

Reports to Security Holders

We are subject to the reporting and other requirements of the Exchange Act, and we intend to furnish our shareholders' annual reports containing financial statements audited by our independent registered public accounting firm and to make available quarterly reports containing unaudited financial statements for each of the first three quarters of each year. We will continue to file Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and Current Reports on Form 8-K with the SEC in order to meet our timely and continuous disclosure requirements. We may also file additional documents with the SEC if they become necessary in the course of the Company's operations.

The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is www.sec.gov.

Employees

As of July 9, 2018, we had 7 employees, all of whom are employed through personal consultancy contracts. These staff members are contracted to perform certain functions in the laboratory, and the actual hours they work is governed by their proficiency in carrying out these tasks.

The three members of our management are also consultants. Their consultancy agreements are described in the Section entitled "Material Agreements".

Material Agreements

In addition to other agreements described elsewhere in this current report, we have entered into several agreements that we deem material to our operations and/or our financial situation. We set out below a summary of the terms of those agreements, but encourage you to review each of those agreements in their entirety as attached as exhibits to this current report.

Agreement with NovAliX Deutschland GmbH

On March 23, 2016, we entered into a collaboration agreement with NovAliX Deutschland GmbH, in which NovAliX granted us a worldwide, perpetual, non-exclusive license, including the right to sublicense, under (i) any and all patent rights owned or controlled by NovAliX that claim or cover any chemical compound and (ii) any and all technology generated by NovAliX in the performance of the Agreement and related to selected series of compounds (the "Hit Series Compounds") from the NovAliX chemical microarrays showing binding and Structure Activity Relation trends to the Ab peptide. The terms of the agreement required an initial payment of approximately \$80,000, payable at some point within four years, which would accrue interest at 20% per annum from the date of signing until the balance is paid. A further payment of approximately \$80,000 is payable upon commercialization of the technology. As at March 31, 2018 the total accrued interest was approximately \$35,000.

Purdue Research Foundation Licensing Agreement – DJ-1 Small Molecule

On April 1, 2016, we entered into a trade secret license agreement with Purdue Research Foundation ("PRF"). Pursuant to this agreement, we received licenses to use certain information generated at Purdue University related to the DJ-1 compounds. These licenses include a worldwide, exclusive license to use that information to manufacture, use and sell products to diagnose, prevent and treat diseases and a worldwide, non-exclusive license under PRF's rights in any invention for research and development of DJ-1 compounds. The license fee is \$50,000, payable in five equal annual installments. The first two installments came due in July 2016 and July 2017 and both have been paid.

Cambridge Enterprise Licensing Agreement - Tau

On September 7, 2016, we entered into a global licensing agreement with Cambridge Enterprise to use technology generated in the Tau small molecule project conducted at Cambridge University in conjunction with the Max Planck Institute run by Dr. Gergely Tóth at the University of Cambridge. The agreement defined an initial payment of approximately \$13,000 which has been paid by the Company, followed by further payments upon reaching the following milestones:

- i. Internal Declaration of Candidate – approximately \$13,000 for technology based patents or approximately \$25,000 for data based patents;
- ii. First dose in man or initiation of any Phase I Trial of each Licensed Product - approximately \$100,000 for technology based patents or approximately \$200,000 for data based patents;
- iii. Initiation of any phase II trial of each Licensed Product - approximately \$140,000 for technology based patents or approximately \$280,000 for data based patents;
- iv. Initiation of any phase III trial of any Licensed Product – approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents;
- v. First approval or marketing authorisation of each Licensed Product in the United States or European Union - approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents; and
- vi. Reimbursement approval in the U.S. - approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents.

Work continues on projects under this agreement, although to date none of these milestones have been reached.

Investment Agreement

On April 12, 2015, we entered into a memorandum of understanding ("MOU") with a group of investors, and subsequently on October 21, 2015, we entered into an Investment Agreement with these investors for \$1,500,000 to be payable in several tranches.

Upon payment of each tranche the Company was to issue shares to the investors equal to the value of the tranche divided by the higher of (i) \$2.00 or (ii) the average of the closing sales price of the Company's common stock on each of the five days prior to the date that payment for such tranche is due. The shares were to be issued to escrow until all payments had been made.

Upon completion of the payments due under the agreements, the investors will have a twelve-month option to invest up to an additional \$1,000,000 into the Company on the same terms.

On June 7, 2016, we signed an Addendum (the "Addendum") to the Investment Agreement providing for an additional \$60,000 of investment on the same terms as the Investment Agreement. The funding was paid to the Company within the terms of the Addendum on June 8, 2016.

To date no shares have been issued to escrow due to management's uncertainty over the investors' appetite to complete the funding arrangement following a fall in share price. To date the investors are due to receive 530,000 shares for the \$1,060,000 already invested. The final tranche of \$500,000 was due in October 2016, but to date that payment has not been made.

Consulting Agreement with Gergely Toth

On July 1, 2016, the Company entered into a consulting agreement with Toth and Associates, LTD for Dr. Toth to act as the Company's CEO. The agreement calls for a standard monthly fee of approximately \$12,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event, (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

Consulting Agreement with Thomas Roger Sawyer

On July 1, 2016, the Company entered a consulting agreement with Capro, LTD for Dr. Thomas Sawyer to act as the Company's COO. The agreement calls for a standard monthly fee of approximately \$10,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event and (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

Consulting Agreement with Simon Peace

On July 1, 2016, the Company entered a consulting agreement with Eden Professional LTD for Mr. Simon Peace to act as the Company's CFO. The agreement calls for a standard monthly fee of approximately \$6,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event and (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

On March 31, 2018, we executed a new one-year lease for approximately 750 square feet of space, comprising wet lab, protein lab and office space, in Budapest, Hungary from the MTA MTTK for use as our principal offices and laboratory. We pay MTA MTTK approximately \$3,000 a month for the space and services.

On February 3, 2016, we entered into a lease on an office property in Sunnyvale, CA. The monthly lease payments total approximately \$1,300, and there is a one month termination notice period.

ITEM 3. LEGAL PROCEEDINGS

We are currently not aware of any pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any third party including and governmental authority.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market information

Our common stock is listed on the Over the Counter QB ("OTCQB") under the symbol "CTBO". The market for our common stock is limited, volatile and sporadic. The following table sets forth, for the periods indicated, the high and low bid prices of our common stock as reported on the OTCQB. The following quotations reflect inter-dealer prices, without retail mark-up, markdown, or commissions, and may not reflect actual transactions.

Quarter Ended	High Bid	Low Bid
Fiscal Year 2018		
March 31, 2018	\$ 0.13	\$ 0.02
December 31, 2017	\$ 0.08	\$ 0.01
September 30, 2017	\$ 0.15	\$ 0.05
June 30, 2017	\$ 0.19	\$ 0.09
Fiscal Year 2017		
March 31, 2017	\$ 0.30	\$ 0.09
December 31, 2016	\$ 0.60	\$ 0.12
September 30, 2016	\$ 3.27	\$ 0.51
June 30, 2016	\$ 3.79	\$ 1.54

The last reported sales price for our shares on the OTCQB as of July 9, 2018, was \$0.03 per share. As of July 9, 2018, we had 21 shareholders of record.

Holders

As of July 9, we had 53,863,584 shares of \$0.001 par value common stock issued and outstanding. Our Transfer Agent is Island Stock Transfer Co.

Dividends

We have never declared or paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business and do not anticipate paying any cash dividends on our common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will be dependent upon then existing conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, business prospects and other factors that the board of directors considers relevant.

Recent Sales of Unregistered Securities

On March 26, 2018, we issued our directors aggregate fees bonuses for services rendered since December 31, 2015. In lieu of paying such fees and bonuses in cash, we paid such fees and bonuses by issuing an aggregate of 7,200,000 shares of our common stock to our directors.

On April 30, 2018, a holder of a convertible debenture converted \$58,733 of interest and principal on such debenture into 1,636,013 shares of our common stock at \$0.0359 per share pursuant to the terms of such debenture.

On May 12, 2018, we issued 370,370 shares of our common stock to a supplier in satisfaction of invoices worth \$10,000.

The securities discussed herein were issued in reliance on exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended (the "Act"). These transactions qualified for exemption from registration because among other things, (i) the transactions did not involve a public offering, (ii) the security holders were accredited investors, qualified institutional buyers and/or directors or executive officers of our company, (iii) the security holders had access to information about our company and its investment, (iv) the investor took the securities for investment and not resale and (v) where appropriate, we took measures to restrict the transfer of the securities.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes included elsewhere in this report.

As of March 31, 2018, we had \$109,426 cash in the bank. This amount will not satisfy our cash requirements for the next twelve months from the date of this filing or until such time that additional proceeds are raised. We plan to satisfy our future cash requirements by

additional equity financing. This will likely be in the form of private placements of common stock. Additional equity financing may not be available to us on acceptable terms or at all, and thus we could fail to satisfy our future cash requirements.

If we are unsuccessful in raising the additional proceeds through a private placement offering, we will then have to seek additional funds through debt financing, which could be highly difficult for us to secure. Therefore, we will depend upon the success of any private placement offering and failure thereof would result in our having to seek capital from other sources such as debt financing, which may not even be available. However, if such financing were available, we would likely have to pay additional costs associated with high risk loans and be subject to an above market interest rate. At such time these funds are required, management would evaluate the terms of such debt financing and determine whether the business could manage the debt load. If we cannot raise additional proceeds via a private placement of our common stock or secure debt financing, we would be required to cease as a business. As a result, investors in our common stock would lose all of their investment.

We did not generate any revenue during the years ended March 31, 2018 and 2017. We incurred operating expenses in the amount of approximately \$1.3 million in the year ended March 31, 2018. These operating expenses were primarily comprised of general and administrative expenses of approximately \$1.0 million and research and development expenses of approximately \$0.4 million. We generated Other Expenses in the year to March 31, 2018 of approximately \$0.6 million, largely due to transactions relating to convertible debt. Based on the foregoing, management believes that there is substantial doubt about our ability to continue as a going concern.

As of the date of this report, the current funds available to us will not be sufficient to continue operations.

Results of Operations for the year ended March 31, 2018, as compared to the year ended March 31, 2017.

Our operating expenses increased to approximately \$1.3 million for the year ended March 31, 2018 from approximately \$1.1 million in the year ended March 31, 2017. This increase was primarily due to increases in Research and Development, management team costs, public company costs and legal and professional fees. Management's consulting fees rose to approximately \$0.7 million in the year ended March 31, 2018 from approximately \$0.3 million in the prior year, with most of that increase due to an issuance of approximately \$0.3 million in share compensation in the current year, whereas there was no such award in the prior year. Legal, professional and accountancy fees decreased to approximately \$0.2 million in the year ended March 31, 2018 from approximately \$0.2 million in the year ended March 31, 2017, the larger fees in the prior year being driven by investor relations and legal fees relating to fundraising. Research and development costs were approximately \$0.4 million in the year ended March 31, 2018 only slightly higher than the approximately \$0.4 in the year ended March 31, 2017 due to accelerating third party animal studies.

We incurred Other Expenses of approximately \$0.7 million in the year ended March 31, 2018, compared to less than \$0.1 million in the year ended March 31, 2017. A growing proportion of our funding is coming from convertible debt, which is driving larger interest charges and changes in fair value of the underlying derivatives.

Liquidity and Capital Resources

At March 31, 2018, we had negative working capital of approximately \$1.9 million and limited cash on hand.

Cash Flows from Financing Activities

During the year ended March 31, 2018, financing activities received \$0.7 million in funding, made up of \$0.4 million through convertible debenture facilities and \$0.3 million through related party convertible notes. These cash flows compare to the prior year where financing activities raised \$0.6 million in proceeds for the future issuance of common stock, \$0.4 million through a convertible debenture facility.

The Company typically raises capital which it spends on maintaining its research and corporate operations. At this early stage in the life of the company, funding is often short term in nature. While the Company has been proficient in raising funds in the past, the short-term nature of these funding cycles raises substantial risk around the Company's ability to continue as a going concern.

Management is addressing going concern risk by seeking new sources of capital and is continuing initiatives to raise capital through private placements, related party loans and other institutional sources to meet future working capital requirements. Furthermore, strategic partnerships, most likely with larger pharmaceutical industry companies, will be needed to continue to fund research and development costs as our projects expand. These measures, if successful, may contribute to reduce the risk of going concern uncertainties for the Company beyond the next twelve months.

Our financial statements indicate there is substantial doubt about our ability to continue as a going concern as this would depend upon our ability to obtain ongoing financing and ultimately to generate sufficient cash flow to meet our obligations on a timely basis. Our plans and efforts to achieve the above steps might not be successful, which raises substantial doubt about the Company's ability to continue as a going concern within one year from the date of this filing.

As of the date of this report, the current funds available to us will not be sufficient to continue operations. Management believes that if we cannot raise sufficient revenues or maintain our reporting status with the SEC we will have to cease all efforts directed towards us. As such, any investment previously made would be lost in its entirety.

OFF BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following documents form part of the report on the Financial Statements

	PAGE
Report of Independent Registered Public Accounting Firm	F-1
Balance Sheets	F-2
Statements of Operations	F-3
Statement of Changes in Stockholders' Equity (Deficit)	F-4
Statements of Cash Flows	F-5
Notes to Financial Statements	F-6

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

We have not had any disagreements with our accountants or auditors that would need to be disclosed pursuant to Item 304 of Regulation S-K promulgated under the Securities Act of 1933.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

A set of disclosure controls and procedures designed to ensure that information required to be disclosed by us in the reports filed under the Securities Exchange Act, is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms is required to be maintained by management. Disclosure controls should be designed with the objective of ensuring that this information is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Management has not designed and currently does not maintain a designed set of disclosure controls and procedures.

We have not evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. As a result, management has concluded that our disclosure controls and procedures were not effective for the year ended March 31, 2018, due to the following:

1. Failure to design and maintain a set of disclosure and control procedures
2. Lack of segregation of duties as a result of limited personnel.
3. Lack of Functioning Audit Committee: We do not have an Audit Committee; our board of directors currently acts as our Audit Committee. We do not have an independent director.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive officer and our principal financial officer and effected by the our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of March 31, 2018, management has not completed a proper evaluation, risk assessment and monitoring of the Company's internal controls over financial reporting based on the 2013 Committee of Sponsoring Organizations (COSO) framework. Management concluded that, during the period covered by this report, that our internal controls and procedures over financial reporting were not effective. Management identified the following material weaknesses set forth below in our internal control over financial reporting.

1. We lack the necessary corporate accounting resources to maintain adequate segregation of duties. Such a lack of segregation of duties is typical in a company with limited resources.
2. We do not have a formal audit committee: our board of directors currently acts as our Audit Committee. We do not have an independent director.
3. The Company did not perform a proper evaluation, risk assessment or monitor their internal controls over financial reporting.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to smaller reporting company rules of the SEC that permit us to provide only the management's report in this annual report.

Implemented or Planned Remedial Actions in response to the Material Weaknesses

Our management believes the lack of a functioning Audit Committee has not had a material effect on our financial results. Our present management will continue to address our need for additional financial personnel and other independent members for our Board of Directors and identify an "expert" for the Audit Committee to advise other members with regard to accounting and reporting procedures.

We will continue to strive to correct the above noted weakness in internal control once we have adequate funds to do so. When funds become available, we will be able to appoint a qualified independent director. Appointing a financial expert to serve on our Audit Committee will improve the overall performance of Company's controls over our financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our management, including the chief executive officer and principal financial officer, do not expect that our disclosure controls or internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake.

ITEM 9B. OTHER INFORMATION

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table provides information regarding our executive officers and directors as of June 30, 2018.

Name	Age	Positions	Term
Gergely Toth	45	President, Chief Executive Officer, Director	May 22, 2015 - Present
Simon Peace	45	Chief Financial Officer, Director	June 29, 2015 - Present
Thomas Roger Sawyer	48	Chief Operations Officer, Director	May 22, 2015 - Present

Each of our directors will serve in that capacity until our next annual shareholder meeting or until their successors are elected and qualified. Officers hold their positions at the will of our Board of Directors. There are no arrangements, agreements or understandings between non-management security holders and management under which non-management security holders may directly or indirectly participate in or influence the management of our affairs.

Dr. Gergely Toth, President, Chief Executive Officer, Director

Dr. Tóth received his MSc in Chemistry at the University of Szeged and later his PhD from the Department of Biomedical Sciences at Creighton University in 2001. He was a post-doctoral fellow at the Department of Molecular Biology at the University of California at Berkeley between 2001 and 2002. Dr. Tóth is a graduate of the Global BioExecutive program of the BioExecutive Institute (University of California, Berkeley, Haas School of Business; 2005). Dr. Tóth also received an Executive MBA from the University of Cambridge (UK) in 2012.

Dr. Tóth founded Gardedam in 2009. Dr. Tóth is also affiliated with the University of Cambridge in the UK, (Department of Clinical Neurosciences, Wolfson Brain Imaging Centre) since 2009, where he has been an Investigator in the NIHR Biomedical Research Unit on Dementia and of the Neurodegenerative Disease Initiative on AD funded by the Wellcome Trust and Medical Research Council. In addition, Dr. Tóth heads the Neurodegenerative Disease Drug Discovery research group since 2014 at the Academy of Sciences of Hungary in Budapest. Dr. Tóth's research interests are the biophysical/structural biology aspects and therapeutic targeting of proteins that misfold and lose their native functions and/or gain toxic functions implicated in neurodegenerative diseases. Dr. Tóth is also a visiting lecturer in the Business of Biotechnology at the School of Pharmacy at the University College London.

Previously, Dr. Tóth was at Protein Mechanics (California, Mountain View) (later Locus Pharmaceuticals) where he was the Director of Computer Aided Drug Discovery Group between 2002-2005. Here he was a key contributor to leading both research and business development efforts and to selling Protein Mechanics to Locus Pharmaceuticals in 2004. From 2005-2009, Dr. Tóth was at Elan Pharmaceuticals (California, South San Francisco) in various roles mostly in drug discovery research for Parkinson's and Alzheimer's diseases. Dr. Tóth has been a strategic scientific consultant at Elan Pharmaceuticals between 2009-2013. Dr. Tóth published over 35 peer reviewed articles and patents on the topics of life sciences, drug discovery and the business of biotechnology, and he actively presents in various international conferences.

Dr. Thomas Roger Sawyer, Chief Operations Officer, Director

Dr. Sawyer completed his doctorate in biological sciences at the University of Glasgow in 2000 and quickly moved into the corporate world, starting the information technology companies Weather2 Limited and Advanced Weather Applications for which he served in the role of Chief Technology Officer. While helping to build and grow these companies, he also began consulting for clients in the logistics industry, providing strategy, technical architecture and business process consultancy for companies including Global Freight Solutions and Nightline.

Dr. Sawyer completed an Executive MBA at the University of Cambridge, graduating in 2012, specializing in corporate finance and management science and completed his thesis on the use of data for predictive analytical tools in industry. It was from Cambridge that he was recruited to work for private equity investors providing advice on project due diligence, appraisal, corporate structuring and economic valuation of minerals assets in southern and eastern Africa. After completing the due diligence work on assets and carrying out the initial corporate structuring he was appointed CEO of East African Gold plc, a gold exploration company headquartered in Mauritius and with extensive exploration licenses in the east African country of Uganda, in late 2011, continuing in this role until the end of 2014 when the company ceased operations. Under his leadership, the company successfully raised capital in excess of USD \$4 million and carried out extensive exploration activities in a large area in a remote region of the country, with up to 100 employees and wide-reaching operations capabilities.

In 2015, Dr. Sawyer began mentoring start-up companies at the University of Cambridge and worked on various consulting projects including a proposal to finance Gardedam Therapeutics, culminating in the company's rebranding, restructuring and a reverse merger at the end of 2015, and his appointment to the board. In 2016, he was appointed a Director of Cognativity Ltd, a UK based company developing an artificial intelligence driven diagnostic test for dementia.

Dr. Sawyer has extensive experience starting and structuring companies, raising capital, IPOs, mergers, setting up joint ventures and corporate strategy. His background in research science allows him to incorporate the technical aspects of the development of projects with his experience in management and corporate finance, allowing this to be built into the overall business strategy and direction. He has lectured as a guest lecturer at the University of Cambridge, teaching entrepreneurial finance to MBA students, at University College London teaching finance of drug development to MSc students at the School of Pharmacy and at Exeter University teaching corporate finance and behavior to MSc students, and has been a speaker at international conferences. Dr. Sawyer has board experience in a number of industries; for Weather2 and Advanced Weather Applications in the area of information technology and business intelligence; Capro Ltd,

an investment advisory and consultancy company specializing in consultancy and direct investment in growing businesses, in the extractive industry as Director of each of the East African Gold group companies, and for Cognativity Ltd working on a SaaS solution for dementia diagnosis. He brings to the Company his abilities in strategic planning, corporate structuring, operations management, analytical modeling and the ability to raise capital to fund growth.

Simon Peace, Chief Financial Officer, Director

Mr. Peace began his career in as an engineer at a small firm in Bradford, UK, before shifting his career focus to accountancy and entering a training post at SmithKline Beecham. He achieved not only an excellent grounding in finance, but also a good understanding of pharmaceutical pricing, marketing, transfer pricing and regulation regimes in the UK. Upon completion of his training Mr. Peace moved to a pricing role at Cable & Wireless, building global B2B telecoms contracts.

In 2001, Mr. Peace became Financial Controller and Company Secretary at Environmental Business Products Ltd, a high growth green-tech business in London. The company doubled in size each year of his two-year period of office, from approximately \$9 million to approximately \$35 million. Growth at that pace created a number of financial and business challenges, all of which were successfully tackled.

Pursuing a career in Mergers and Acquisitions, in 2003 Mr. Peace joined GE Capital where he managed activities relating to credit risk and then, in 2006, moved to GE Healthcare's Business Development team, where he spent seven years leading finance teams in acquisitions, dispositions and setting up international joint ventures, in Europe, U.S., Russia and the Middle East.

Mr. Peace's experience in the field of M&A is extensive, having worked on over 60 deals with purchase prices ranging from tens to hundreds of millions of dollars. He was typically present in a deal from the first approach to the target, though initial modeling, due diligence, investment approval, contract negotiation, deal close and post-merger integration and monitoring.

In 2014, Mr. Peace left GE Healthcare to set up his own company, Eden Professional Ltd, a finance and M&A consultancy working for small technology companies typically in London, Oxford and Cambridge.

Mr. Peace is qualified to the Chartered Institute of Management Accountants and holds a BSc in Natural Sciences from the University of Durham, majoring in chemistry and engineering, an MSc in Manufacturing Management from the University of Bradford and an Executive MBA from the University of Cambridge Judge Business School.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5, we do not believe that during our most recent fiscal year, all directors, officers or beneficial owners of more than ten percent of our common stock timely filed those reports required by section 16(a) of the Exchange Act.

ITEM 11. EXECUTIVE COMPENSATION

Our named executive officers for 2018, which consist of our Chief Executive Officer and our two most highly compensated executive officers other than our Chief Executive Officer, are:

- Dr. Gergely Toth, our President and Chief Executive Officer;
- Simon Peace, our Chief Financial Officer; and
- Dr. Thomas Roger Sawyer, our Chief Operations Officer.

The following information sets out below outlines the approximate compensation paid to our named executive officers for the fiscal years ended March 31, 2018 and 2017.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Dr. Gergely Toth <i>President and Chief Executive Officer</i>	2018	157,000	0	163,000	0	320,000
	2017	144,000	0	0	0	144,000
Simon Peace <i>Chief Financial Officer</i>	2018	82,000	0	65,000	0	147,000
	2017	75,000	0	0	0	75,000
Thomas Roger Sawyer <i>Chief Operations Officer</i>	2018	109,000	0	98,000	0	207,000
	2017	120,000	0	0	0	120,000

We have included a description of the consulting agreements with members of our management under the Section entitled "Material Agreements".

Director Compensation

We currently do not pay any cash compensation to members of our board of directors for their services as our directors although we have paid compensation, as set out above, to our directors for their services as our executive officers. We reimburse our directors for all reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the board of directors. We may determine to grant to each new director, at the time of such director's appointment, an option to purchase our common shares.

Indemnification of Directors and Officers

Our amended and restated certificate of incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission, or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, our amended and restated bylaws provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we may enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in our amended and restated certificate of incorporation, amended and restated bylaws, and indemnification agreements with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees, or other agents or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We intend to obtain insurance policies under which, subject to the limitations of the policies, coverage will be provided to our directors and executive officers against losses arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Set forth below is information concerning the ownership as of July 9, 2018 of our common stock by our directors, our officers and each sole person who, to our knowledge, beneficially owns more than five (5%) percent of the outstanding shares of our common stock. The beneficial owner has sole voting and investment power with respect to such shares of common stock.

Name and Address of Beneficial Owner	Beneficial Ownership	% of class (1)
Dr. Gergely Toth 1250 Oakmead Pkwy Sunnyvale, California	16,079,147	29.9%
Simon Peace 1250 Oakmead Pkwy Sunnyvale, California	4,877,703	9.1%
Dr. Thomas Roger Sawyer 1250 Oakmead Pkwy Sunnyvale, California	5,597,703	10.4%
Directors as Group	26,554,553	49.7%
Max Zhu Hong Kong, China	8,415,652	15.6%

(1) Based on 53,863,584 shares of common stock issued and outstanding on July 9, 2018 and, for each shareholder listed, any shares that may be acquired by such holder within the next 60 days pursuant to any options, warrants, convertible notes or other convertible securities held by such shareholder.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related-Party Transactions

Max Zhu

Max Zhu is an investor and consultant to the Company. During the year ended March 31, 2018, Mr Zhu converted two loans, totaling \$134,993 in principal and interest into 5,959,664 shares.

Mr Zhu also advanced the company new notes totaling \$100,000 and \$120,000. The notes have a term of six and twelve months respectively. The first accrues interest at 23% up to the end of the term, and 28% thereafter. The second note accrues interest at 5% and carries a 20% redemption penalty.

We have no other related party transactions.

Board Committees

We currently have not established any committees of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees in the future. We do not have a nominating committee or a nominating committee charter. Further, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, other than as described above, no security holders have made any such recommendations. Nor do we have an audit committee or a compensation committee. The entire Board of Directors performs all functions that would otherwise be performed by committees. Given the present size of our board, it is not practical for us to have committees. If we are able to grow our business and increase our operations, we intend to expand the size of our board and allocate responsibilities accordingly.

Audit Committee Financial Expert

We have no separate audit committee at this time. The entire Board of Directors oversees our audits and auditing procedures. The Board of Directors has at this time not determined whether any director is an "audit committee financial expert" within the meaning of Item 407(d)(5) for SEC regulation S-K.

Code of Ethics

As we are a young company focusing our efforts on our operations, we have not yet adopted a written code of ethics. As our business grows, we intend to adopt a formal code of ethics.

Family Relationships

There are no family relationships among our Directors or executive officers.

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be “independent” and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of “independent directors.”

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth fees billed to us by our independent auditors for the years ended March 31, 2018 and 2017 for (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of our financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

Marcum LLP

SERVICES	2018	2017
Audit fees	\$ 85,000	\$ 86,000
Audit-related fees	-	-
Tax fees	-	-
All other fees	-	-
Total fees	\$ 85,000	\$ 86,000

Audit fees and audit related fees represent amounts billed for professional services rendered for the audit of our annual financial statements and the review of our interim financial statements. Before our independent accountants were engaged to render these services, their engagement was approved by our Directors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULE

The following exhibits are filed as part of this registration statement. Exhibit numbers correspond to the exhibit requirements of Regulation S-K.

Exhibit No.	Description
31.1	Certification of Principal Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)
31.2	Certification of Principal Financial Officer and Acting Principal Accounting Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of Principal Financial Officer and Acting Principal Accounting Officer pursuant to 18 U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cantabio Pharmaceuticals Inc.

Date: July 13, 2018

By: /s/ Gergely Toth
Name: Gergely Toth
Title: President, Chief Executive Officer

Date: July 13, 2018

By: /s/ Simon Peace
Name: Simon Peace
Title: Principal Financial Officer and Acting Principal Accounting Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Gergely Toth</u> Gergely Toth	President, Chief Executive Officer and Director	July 13, 2018
<u>/s/ Simon Peace</u> Simon Peace	Chief Financial Officer and Director	July 13, 2018
<u>/s/ Thomas Roger Sawyer</u> Thomas Roger Sawyer	Director	July 13, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
of Cantabio Pharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cantabio Pharmaceuticals Inc. (the "Company") as of March 31, 2018 and 2017, the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for each of the two years in the period ended March 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company had a working capital deficit and continues to incur losses from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP
Marcum LLP

We have served as the Company's auditor since 2016.

New York, NY
July 13, 2018

**CANTABIO PHARMACEUTICALS INC.
CONSOLIDATED BALANCE SHEETS**

	March 31, 2018	March 31, 2017
ASSETS		
Current Assets		
Cash	\$ 109,426	\$ 32,275
Prepaid expenses	-	1,248
Total Current Assets	109,426	33,523
TOTAL ASSETS	\$ 109,426	\$ 33,523
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	606,751	377,893
Accrued technology access fee	171,105	140,142
Secured convertible debentures	947,160	322,256
Convertible debt related party	257,614	-
Note payable related party	-	47,154
Total Current Liabilities	1,982,630	887,445
TOTAL LIABILITIES	\$ 1,982,630	\$ 887,445
Commitments and contingencies		
Stockholders' Equity (Deficit)		
Common stock, \$0.001 par value, (250,000,000 shares authorized, 51.9 million and 26.8 million shares issued and outstanding as of March 31, 2018 and March 31, 2017, respectively)	51,857	26,805
Stock subscriptions	1,060,000	1,060,000
Additional paid in capital	1,134,763	167,324
Accumulated deficit	(4,119,824)	(2,108,051)
Total Stockholders' Equity (Deficit)	(1,873,204)	(853,922)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	\$ 109,426	\$ 33,523

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

CANTABIO PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended	
	March 31, 2018	March 31, 2017
Operating Expenses		
Research and development	\$ 371,041	\$ 350,310
General & administrative	977,747	718,959
Total Operating Expenses	<u>1,348,788</u>	<u>1,069,269</u>
Loss From Operations	(1,348,788)	(1,069,269)
Other Income & (Expenses)		
Interest expense	(619,960)	(39,869)
Change in fair value of embedded derivatives	198,000	(3,000)
Loss on extinguishment of convertible debentures	(241,025)	-
Total Other Income & (Expenses)	<u>(662,985)</u>	<u>(42,869)</u>
Net Loss	<u>\$ (2,011,773)</u>	<u>\$ (1,112,138)</u>
Basic and Diluted Loss per share	\$ (0.07)	\$ (0.04)
Weighted average number of common shares outstanding	<u>30,943,829</u>	<u>26,805,270</u>

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

CANTABIO PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Common Shares	Common Stock	Stock Subscriptions	Additional Paid In Capital	Accumulated Deficit	Total
Balance, March 31, 2016	26,805,270	\$ 26,805	\$ 500,000	\$ 99,324	\$ (995,913)	\$ (369,784)
Stock subscriptions			560,000			560,000
Recognition of beneficial conversion feature associated with convertible debentures				68,000		68,000
Net loss					(1,112,138)	(1,112,138)
Balance, March 31, 2017	26,805,270	\$ 26,805	\$ 1,060,000	\$ 167,324	\$ (2,108,051)	\$ (853,922)
Stock based compensation	7,520,498	7,520		352,924		360,444
Shares issued to satisfy accrued expenses	7,400,000	7,400		343,160		350,560
Stock issued upon conversion of convertible debentures	10,131,433	10,132		236,355		246,487
Recognition of beneficial conversion feature associated with convertible debentures				35,000		35,000
Net loss					(2,011,773)	(2,011,773)
Balance, March 31, 2018	51,857,201	\$ 51,857	\$ 1,060,000	\$ 1,134,763	\$ (4,119,824)	\$ (1,873,204)

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

**CANTABIO PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	March 31, 2018	March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(2,011,773)	\$ (1,112,138)
Adjustment to reconcile net loss to net cash from operating activities:		
Loss on extinguishment of obligation	241,025	-
Accretion to note payable to related party	-	1,807
Amortization of debt discount	533,651	22,756
Change in fair value of embedded derivative	(198,000)	3,000
Stock issued in lieu of services	360,444	-
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	378,372	152,395
Accrued technology access fee	30,963	(33,272)
Accrued debt and debenture interest	40,721	
Prepaid expenses	1,248	(1,248)
Due to officers	-	(6,420)
Net cash used in operating activities	<u>(623,349)</u>	<u>(973,120)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable related party	-	59,368
Repayment of notes payable related party	-	(30,583)
Proceeds from issuance of convertible debenture, net of issuance costs	405,500	364,500
Proceeds from issuance of convertible note related party, net of issuance costs	295,000	-
Share subscriptions	-	560,000
Net cash provided by financing activities	<u>700,500</u>	<u>953,285</u>
Net increase (decrease) in cash	<u>77,151</u>	<u>(19,835)</u>
Cash at beginning of period	<u>32,275</u>	<u>52,110</u>
Cash at end of period	<u>\$ 109,426</u>	<u>\$ 32,275</u>
<i>Schedule of non-cash financing activities</i>		
Recognition of beneficial conversion feature associated with convertible debentures	\$ 35,000	\$ 68,000
Conversion of debt	\$ 307,000	\$ -

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

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Cantabio Pharmaceuticals Inc. (the “Company” or “Cantabio”) is a preclinical stage biotechnology company focusing on commercializing novel therapies and the intellectual property generated from research and development activities for Parkinson’s disease (PD) and Alzheimer’s disease (AD). The Company’s strategy involves integration of therapeutic focus, the targeting of family biophysics, drug discovery technology and expertise into an innovative drug discovery approach, which synergizes to identify and develop small molecule pharmacological chaperones for clinical trials. In addition, the Company’s research efforts concentrate on the development of therapeutic proteins that can pass through the blood-brain barrier and supplement in vivo levels of proteins with display loss of function during disease conditions.

NOTE 2 –GOING CONCERN

As of March 31, 2018 the Company had a working capital deficit of \$1.9 million and losses from operations.

The Company typically raises capital which it spends on maintaining its research and corporate operations. At this early stage in the life of the company funding is often short term in nature. While the Company has been proficient in raising funds in the past, the short-term nature of these funding cycles raises substantial doubt about the Company’s ability to continue as a going concern within one year from the date of this filing.

Management is addressing going concern risk by seeking new sources of capital and is continuing initiatives to raise capital through private placements, related party loans and other institutional sources to meet future working capital requirements. Furthermore, strategic partnerships, most likely with larger pharmaceutical industry companies, will be needed to continue to fund research and development costs as our projects expand. These measures, if successful, may contribute to reduce the risk of going concern uncertainties for the Company beyond the next twelve months.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital and achieve profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Principles of Consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiary.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Warrant Liability

The Company accounts for certain common stock warrants outstanding as a liability at fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s statements of operations. The fair value of the warrants issued by the Company has been estimated using a valuation pricing model, at each measurement date that incorporates various inputs including remaining contractual term, stock volatility, risk free rate and dividend yield.

Equity-linked Financial Instruments

Certain of the Company’s debt instruments include embedded derivatives that require bifurcation from the host contract under the provisions of ASC 815, Derivatives and Hedging. Under this guidance, the Company recognizes the embedded derivatives at fair value and records a gain or loss resulting from the change in fair values at the end of each reporting period. In connection with issuance of the Company’s Zhu convertible notes, beginning on July 3, 2017, the Company became contingently obligated to issue shares in excess of the 250 million authorized by shareholders. Consequently, the ability to settle these obligations with shares would be unavailable causing these and other share-settled obligations to potentially be settled in cash.

The Company applies a sequencing policy regarding share settlement wherein equity-linked financial instruments with the earliest issuance date would be settled first. Thus, all equity-linked financial instruments, which are convertible or exercisable into common stock, issued concurrent or subsequent to the Zhu Notes are classified as derivative liabilities, with the exception of instruments related to employee share-based compensation.



CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

Sequencing

As of July 3, 2017, the Company adopted a sequencing policy whereby all future equity-linked instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors.

Income Taxes

The Company recognizes income taxes on an accrual basis based on tax positions taken or expected to be taken in its tax returns. A tax position is defined as a position in a previously filed tax return or a position expected to be taken in a future tax filing that is reflected in measuring current or deferred income tax assets and liabilities. Tax positions are recognized only when it is more likely than not (i.e., likelihood of greater than 50%), based on technical merits, that the position would be sustained upon examination by taxing authorities. Tax positions that meet the more likely than not threshold are measured using a probability-weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement. Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. A valuation allowance is established to reduce deferred tax assets if all, or some portion, of such assets will more than likely not be realized. Should they occur, our policy is to classify interest and penalties related to tax positions as income tax expense.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts payable, convertible debentures and a loan payable to a related party. The carrying amounts of these financial instruments approximate fair value due either to length of maturity or interest rates that approximate prevailing rates unless otherwise disclosed in these financial statements.

Share Subscriptions

Under the terms of a subscription agreement, the Company has received funds in advance of the issuance of stock. The stock is issuable to the investors once the full subscription proceeds are received, which, as of the date of this filing, has not yet occurred. The Company recorded the advance in equity.

Earnings (Loss) per Share

The Company calculates earnings per share using basic net income (loss) per common share be computed by dividing net income (loss) for the period by the weighted average number of common shares outstanding during the period. The Company does not compute diluted earnings per share because to do so would be anti-dilutive.

Potentially dilutive securities

	March 31, 2018	March 31, 2017
Potentially dilutive securities		
Secured convertible debentures (Note 6)	12,406,000	3,420,000
Convertible debt related party (Note 7)	3,914,000	-
Stock subscription	530,000	530,000

Recently issued Accounting Standards

Fiscal 2018 Accounting Pronouncement Adoptions

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This new standard clarifies certain aspects of the statement of cash flows, including the classification of debt prepayment or debt extinguishment costs or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees and beneficial interests in securitization transactions. This new standard also clarifies that an entity should determine each separately identifiable source of use within the cash receipts and payments on the basis of the nature of the underlying cash flows. In situations in which cash receipts and payments have aspects of more than one class of cash flows and cannot be separated by source or use, the appropriate classification should depend on the activity that is likely to be the predominant source or use of cash flows for the item. This new standard became effective for us on April 1, 2018. The new standard does not have a material impact on our financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 increases the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a retrospective recognition and measurement of impacted leases. The new ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact of this new standard and does not expect it to have a material impact on our financial statements.

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-07 intended to reduce cost and complexity and to improve financial reporting for nonemployee share-based payments. Currently, the accounting requirements for nonemployee and employee share-based payment transactions are significantly different. This ASU expands the scope of Topic 718, Compensation-Stock Compensation

(which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. This ASU supersedes Subtopic 505-50, Equity-Equity-Based Payments to Nonemployees. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. For all other companies, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, but no earlier than a company's adoption date of Topic 606, Revenue from Contracts with Customers. The Company is currently evaluating the impact of this new standard and does not expect it to have a material impact on our financial statements.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

NOTE 4 – Material Agreements

The following material agreements are important to our research and development activities:

Agreement with NovAliX Deutschland GmbH

On March 23, 2016, we entered into a collaboration agreement with NovAliX Deutschland GmbH, in which NovAliX granted us a worldwide, perpetual, non-exclusive license, including the right to sublicense, under (i) any and all patent rights owned or controlled by NovAliX that claim or cover any chemical compound and (ii) any and all technology generated by NovAliX in the performance of the Agreement and related to selected series of compounds (the “Hit Series Compounds”) from the NovAliX chemical microarrays showing binding and Structure Activity Relation trends to the Ab peptide. The terms of the agreement required an initial payment of approximately \$80,000, payable at some point within four years, which would accrue interest at 20% per annum from the date of signing until the balance is paid. A further payment of approximately \$80,000 is payable upon commercialization of the technology. As at March 31, 2018 the total of accrued interest was approximately \$35,000.

Purdue Research Foundation Licensing Agreement – DJ-1 Small Molecule

On April 1, 2016, we entered into a trade secret license agreement with Purdue Research Foundation (“PRF”). Pursuant to this agreement, we received licenses to use certain information generated at Purdue University related to the DJ-1 compounds. These licenses include a worldwide, exclusive license to use that information to manufacture, use and sell products to diagnose, prevent and treat diseases and a worldwide, non-exclusive license under PRF’s rights in any invention for research and development of DJ-1 compounds. The license fee is \$50,000, payable in five equal annual installments. The first two installments came due in July 2016 and July 2017 and both have been paid.

Cambridge Enterprise Licensing Agreement - Tau

On September 7, 2016, we entered into a global licensing agreement with Cambridge Enterprise to use technology generated in the Tau small molecule project conducted at Cambridge University in conjunction with the Max Planck Institute run by Dr. Gergely Tóth at the University of Cambridge. The agreement defined an initial payment of approximately \$13,000 which has been paid by the Company, followed by further payments upon reaching the following milestones:

- i. Internal Declaration of Candidate – approximately \$13,000 for technology based patents or approximately \$25,000 for data based patents;
- ii. First dose in man or initiation of any Phase I Trial of each Licensed Product - approximately \$100,000 for technology based patents or approximately \$200,000 for data based patents;
- iii. Initiation of any phase II trial of each Licensed Product - approximately \$140,000 for technology based patents or approximately \$280,000 for data based patents;
- iv. Initiation of any phase III trial of any Licensed Product – approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents;
- v. First approval or marketing authorisation of each Licensed Product in the United States or European Union - approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents; and
- vi. Reimbursement approval in the U.S. - approximately \$140,000 for technology based patents or approximately \$700,000 for data based patents.

Work continues on projects under this agreement, although to date none of these milestones have been reached.

NOTE 5 – RELATED PARTY TRANSACTIONS

Approximate costs incurred associated with related party transactions included in general and administrative in the statement of operations, including stock based compensation, are as follows:

	Years to March 31	
	2018	2017
Operating expenses:		
<i>Toth and Associates LTD</i>	\$ 320,000	\$ 144,000
<i>Capro LTD</i>	207,000	120,000
<i>Eden Professional LTD</i>	147,000	75,000
<i>Max Zhu Consulting</i>	18,000	24,000
Total related party transactions	\$ 692,000	\$ 363,000

Accounts payable and accrued expenses includes amounts payable to related parties of \$0.2 and \$0.3 million for the fiscal years ended March 31, 2018 and March 31, 2017, respectively.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

Toth and Associates LTD

On July 1, 2016, the Company entered into a consulting agreement with Toth and Associates, LTD for Dr. Toth to act as the Company's CEO. The agreement calls for a standard monthly fee of approximately \$12,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event, (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

Capro LTD

On July 1, 2016, the Company entered a consulting agreement with Capro, LTD for Dr. Thomas Sawyer to act as the Company's COO. The agreement calls for a standard monthly fee of approximately \$10,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event and (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

Eden Professional LTD

On July 1, 2016, the Company entered a consulting agreement with Eden Professional LTD for Mr. Simon Peace to act as the Company's CFO. The agreement calls for a standard monthly fee of approximately \$6,000 plus any additional uncontracted hours at the same rate, and bonuses as follows (A) upon raising of capital on behalf of, or as part of the Company, an amount equal to 1.5% of the capital raised, (B) increasing the performance of the Company as measured by valuation in either an agreed valuation in the context of an investment or, in the case of a public company, market capitalization reaching \$30.0 million, a fixed bonus of \$50,000, payable wholly or in mutually agreed tranches over a 6 month period subsequent to the valuation event and (C) on the issuance of new stock for the purposes of a capital raise of an amount over \$5.0 million, common stock equal to 1% of the Company's post-investment issued share capital and (D) in the event of the Company, including any affiliated entities, securing a licensing agreement with any 3rd party, an amount equivalent to 1.5% of any payments to the Company under such licensing agreement.

Max Zhu

Max Zhu, an investor and lender to the Company, also works as Head of Computer Aided Drug Design for the Company under a consultancy contract.

NOTE 6 – SECURED CONVERTIBLE DEBENTURES

Original issuances

The Company has entered into several securities purchase agreements during 2017 and 2018 with an accredited investor to place Convertible Debentures (as amended the "Debentures") in the aggregate principal amount of up to \$900,000 (the "Transaction"), provided that in case of an event of default, the Debentures may become at the holder's election immediately due and payable. The Debentures bear interest at the rate of 5% per annum. In addition, the Company must pay to the holder an annual fee equal to 7% of the amount of the Debentures to assist in their monitoring costs for the Debentures. The net proceeds of the financing were used for general corporate matters and for other expenses.

Conversion Feature

The Debentures may be converted at any time on or prior to maturity at the lower of \$0.10 or 93% of the average of the three lowest daily volume weighted average price ("VWAP") during the 10 consecutive trading days immediately preceding the conversion date, provided that as long as we are not in default under the Debenture and the conversion price is never lower than a stated floor price. The Debentures have been amended several times, including most recently in the third quarter with the addition that the floor price being \$0.01 and the due date November 2018.

Monthly Redemption Feature

Any time after the six-month anniversary of the issuance of a Debenture that the daily VWAP is less than \$0.01 for a period of twenty consecutive trading days (the "Triggering Date") and only for so long as such conditions exist after a Triggering Date, the Company shall make monthly payments beginning on the last calendar day of the month when the Triggering Date occurred. Each monthly payment shall be in an amount equal to the sum of (i) the principal amount outstanding as of the Triggering Date divided by the number of such monthly payments until maturity, (ii) a redemption premium of 20% in respect of such principal amount and (iii) accrued and unpaid interest hereunder as of each payment date. The Company may, no more than twice, obtain a thirty-day deferral of a monthly payment due as a result of a Triggering Date through the payment of a deferral fee in the amount equal to 10% of the total amount of such monthly payment. Each deferral payment may be paid by the issuance of such number of shares as is equal to the applicable deferral payment divided by a price per share equal to 93% of the average of the four lowest daily VWAPs during the 10 consecutive Trading Days immediately preceding the due date in respect of such monthly payment begin deferred, provided that such shares issued will be immediately freely tradable shares in the hands of the holder.

In the third quarter a Triggering Date occurred and the Company recorded a premium of \$50,000 included in accounts payable and accrued expense.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

Extinguishment of Notes

In the third quarter the Company, entered into an amended agreement with the investor which included a change to the due date and an adjustment to the floor price. The terms of the new debt instrument was considered to be substantially different such that the changes were sufficient to recognize the amendment as an extinguishment of the debt. A loss on extinguishment of approximately \$0.2 million was recorded in other income (expense). Debt discount of approximately \$0.6 million was recorded as a result of the new issuance due to the conversion features.

Beneficial Conversion Feature

At the time of each closing, the Debenture's effective conversion price was below the quoted market price of the Company's common stock. As such, the Company recognized a beneficial conversion feature equal to the intrinsic value of the conversion feature on each issuance date, resulting in a discount to the Debenture with a corresponding credit to additional paid-in capital.

Embedded Derivatives

The monthly payment provision within the Debentures is a contingent put option that is required to be separately measured at fair value, with subsequent changes in fair value recognized in the Consolidated Statements of Operations. The Company estimated the fair value of the monthly payment provision using probability analysis of the occurrence of a Triggering Date applied to the discounted maximum redemption premium for any given payment.

The probability analysis utilized in calculating the embedded derivative was calculated using the following key inputs:

	March 31, 2018	March 31, 2017
Stock price	\$ 0.06	\$ 0.16-\$0.23
Probability of Triggering Date	100%	23%-35%
Volatility	300%	207%
Risk-free rate	1%	1%
Discount rate	0%	40%

Due to the Company's sequencing policy the Company recorded an embedded derivative associated with the debentures conversion feature. The following are the inputs associated with the embedded conversion feature.

	March 31, 2018	March 31, 2017
Stock price	\$ 0.06	\$ 0.16-\$0.23
Exercise price	\$ 0.06	\$ 0.15-\$0.21
Volatility	300%	207%
Contractual term	1 year	1 year
Risk-free rate	1%	1%
Discount rate	0%	40%

The fair value estimate of the embedded derivatives is a Level 3 measurement. The roll-forward of the Level 3 fair value measurement is as follows:

Balance at March 31, 2017	Issuance	Net unrealized (gain)/loss	Balance at March 31, 2018
24,000	\$ 685,000	\$ 27,000	\$ 736,000

The carrying value of the Debentures is comprised of the following:

Secured Convertible Debentures

	March 31, 2018	March 31, 2017
Principal	\$ 750,000	\$ 450,000
Fair value of embedded derivative	736,000	24,000
Accrued interest	22,264	-
Debt discount	(561,104)	(151,744)
Carrying value of Secured Convertible Debentures	\$ 947,160	\$ 322,256

As of March 31, 2018, the estimated aggregate fair value of outstanding convertible notes payable is approximately \$0.9 million. The fair value estimate is based on the estimated option value of the conversion terms. The estimated fair value represents a Level 3 measurement.

Converted Debentures

During the year ended March 31, 2018, holders of approximately \$0.2 million in principal amount and accrued interest with respect to Secured Convertible Debentures exercised the conversion option and converted into 4.2 million shares of common stock.

Events of Default or Financial covenants

The Company is in compliance with all terms associated with the convertible note.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

NOTE 7 – CONVERTIBLE DEBT RELATED PARTIES

Convertible notes, 18%-28%

During the year ended March 31, 2018 the Company issued convertible notes payable to Max Zhu for an aggregate principal balance of \$220,000, in exchange for cash of \$175,000 and the exchange of a note payable to Mr. Zhu with a principal balance of \$45,000. The extinguished note payable was fully matured. The convertible notes had interest rates ranging from 18% to 28%. In January 2018 the holder converted \$120,000 of principal and \$14,994 of interest into approximately 6.0 million shares of common stock.

The remaining \$100,000 convertible note payable from this tranche had a six-month term, maturing in February 2018, incurring interest at 23% through maturity and 28% thereafter. The Company has the option to settle the principal and all accrued interest of each note in cash or shares.

The note holder has the right to convert all or any portion of the outstanding principal and accrued interest of the 28% note into common shares of the Company at a conversion price of the lesser of: (i) \$0.08 per share, or (ii) a price equal to 80% of the lowest VWAP during the five consecutive days before the notice of conversion.

Convertible note, 5%

In January 2018 the Company issued a further convertible note to Mr. Zhu in exchange for \$120,000. The note has a twelve month term and bears interest at the rate of 5% per annum. In addition, the Company must pay to the holder an annual fee equal to 7% of the amount of the note to assist in his monitoring costs.

The 5% note may be converted at any time at the lower of \$0.10 or 93% of the average of the three lowest daily volume weighted average price (“VWAP”) during the 10 consecutive trading days immediately preceding the conversion date, provided that we are not in default under the Debenture and the conversion price is never lower than a stated floor price.

The analysis utilized in calculating the embedded derivative upon issuance and at March 31, 2018 was calculated using the following key inputs:

	<u>Key Inputs</u>
Stock price	\$0.02- \$0.07
Contractual term	0.1 – 1.0 years
Volatility	275%-300%
Risk-free rate	1%

The fair value estimate of the embedded derivative is a Level 3 measurement. The roll-forward of the Level 3 fair value measurement is as follows:

<u>Balance at Issuance</u>	<u>Net unrealized (gain)/loss</u>	<u>Conversion</u>	<u>Balance at March 31, 2018</u>
267,000	\$ (53,000)	\$ (58,000)	\$ 156,000

The carrying value of the Notes is comprised of the following:

Convertible Note at March 31, 2018:	
Principal	\$ 220,000
Fair value of embedded conversion option	156,000
Accrued Interest	15,204
Debt discount	(133,590)
Carrying value of Convertible Note	\$ 257,614

As of March 31, 2018, the estimated aggregate fair value of outstanding convertible notes payable is approximately \$0.3 million. The fair value estimate is based on the estimated option value of the conversion terms. The estimated fair value represents a Level 3 measurement.

Technical default

The notes which are due in January 2018 are in technical default, although the obligation has not been called by the lender. The note agreement provided for such circumstances with the effect that the Company will record interest at the default interest rate of 28%.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

NOTE 8 – CAPITAL STOCK

Stock Subscriptions

On April 12, 2015, we entered into a memorandum of understanding (“MOU”) with a group of investors, and subsequently on October 21, 2015, we entered into an Investment Agreement with these investors for \$1,500,000 to be payable in several tranches.

Upon payment of each tranche the Company was to issue shares to the investors equal to the value of the tranche divided by the higher of (i) \$2.00 or (ii) the average of the closing sales price of the Company’s common stock on each of the five days prior to the date that payment for such tranche is due. The shares were to be issued to escrow until all payments had been made.

Upon completion of the payments due under the agreements, the investors will have a twelve-month option to invest up to an additional \$1,000,000 into the Company on the same terms.

On June 7, 2016, we signed an Addendum (the “Addendum”) to the Investment Agreement providing for an additional \$60,000 of investment on the same terms as the Investment Agreement. The funding was paid to the Company within the terms of the Addendum on June 8, 2016.

Final Placement

To date no shares have been issued to escrow due to management’s uncertainty over the investors’ appetite to complete the funding arrangement following a fall in share price. To date the investors are due to receive 530,000 shares for the \$1,060,000 already invested. The final tranche of \$500,000 was due in October 2016, but to date that payment has not been made.

Conversion of convertible debt instruments

During the year ended March 31, 2018, a holder of convertible debentures converted approximately \$0.2 million in principal amount and accrued interest into approximately 4.2 million shares of common stock and a holder of convertible debt converted approximately \$0.1 million in principal amount and accrued interest converted into approximately 6.0 million shares of common stock. Upon issuance of the stock the Company recognized a loss of approximately \$0.1 million.

Shares issued to satisfy accrued expenses

In April 2017 the Company issued 0.2 million shares to a supplier in lieu of invoices worth approximately \$24,000.

In February 2018 the three directors of the Company converted approximately \$0.2 million of unpaid fees and bonus into approximately 7.2 million shares of common stock. Upon issuance of the stock the Company recognized a loss of approximately \$0.1 million.

Stock compensation

During the year ended March 31, 2018 the Company issued approximately 7.5 million shares to employees and directors for services. The Company recorded share based compensation of approximately \$0.4 million in the statement of operations.

NOTE 9 – COMMITMENTS

Leases on Property

The Company has a \$1,300 month to month lease on an office property in Sunnyvale, CA.

In March 2018, the Company re-signed its annual lease on a Laboratory in Budapest, Hungary. The monthly lease payments total approximately \$3,000, and the lease term was 1 year. The lessor may terminate upon non-payment of rent, and the Company may terminate if the laboratory is not operational for 15 days or more.

Lease expense for the periods ended March 31, 2018 and 2017 was approximately \$52,000 and \$49,000.

CANTABIO PHARMACEUTICALS INC.
Notes to Consolidated Financial Statements

NOTE 10 – INCOME TAXES

The Company files income tax returns in the U.S. federal jurisdiction and the state of California.

The income tax provision (benefit) consists of the following:

	For The Years Ended	
	March 31,	March 31,
	2018	2017
Federal:		
Current	\$ -	-
Deferred	(115,000)	(368,000)
State and local:		
Current	-	-
Deferred	(142,000)	(65,000)
	<u>(257,000)</u>	<u>(433,000)</u>
Change in valuation allowance	257,000	433,000
Income tax provision (benefit)	<u>\$ -</u>	<u>-</u>

The difference between the statutory federal tax rate and the effective tax rate is summarized below:

	As of March 31,	
	2018	2017
Deferred Tax Assets:		
Net operating loss carryforwards	\$ 1,005,000	738,000
Accrued compensation	50,000	60,000
Gross deferred tax assets	<u>1,055,000</u>	<u>798,000</u>
Valuation allowance	(1,055,000)	(798,000)
Deferred tax assets, net of valuation allowance	<u>-</u>	<u>-</u>
Changes in valuation allowance	<u>\$ (257,000)</u>	<u>(433,000)</u>

The tax effects of temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

	March 31,	March 31,
	2018	2017
Federal tax at statutory rate:	(31.0)%	(34.0)%
State taxes (net of Federal benefit)	(6.0)%	(5.8)%
Permanent differences	4.4%	0.9%
Other	(0.0)%	0.0%
Change in valuation allowance	12.8%	38.9%
Change in federal tax rate	19.8%	0.0%
Provision for Income Taxes	<u>0.0%</u>	<u>0.0%</u>

As of March 31, 2018 and 2017, the Company provided a full valuation allowance against its net deferred assets since realization of these benefits is not more likely than not. As of March 31, 2018, the Company had federal and state net operating loss tax carryforwards of approximately \$3.6 million. These net operating loss carryforwards expire in various amounts starting in 2029. The utilization of the federal and state net operating loss carryforwards will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. In addition, these net operating loss carryforwards are subject to annual limitations under Section 382 of the U.S. Internal Revenue Code when there is a greater than 50% ownership change, as determined under the regulations. Based on our analysis, there has been no such change of control during the years ended March 31, 2018 and 2017.

As of March 31, 2018 and 2017, the Company had no unrecognized tax benefits. To date, no tax returns have been filed by the Company. Net operating losses cannot be used against future income until returns are filed. Until those tax returns are filed by the Company, all tax years will remain open to examination by federal tax and state tax jurisdictions. No income tax returns are currently under examination by taxing authorities.

The Tax Cuts and Jobs Act (the "Act") was enacted in December 2017 making significant changes to the Internal Revenue Code. Changes include but are not limited to (a) the reduction of the U.S. corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017; (b) the transition of U.S. international taxation from a worldwide tax system to a territorial system; and (c) a one-time transition tax on the mandatory deemed repatriation of foreign earnings. The latter two changes are not expected to impact the Company. The change in tax law required the Company to remeasure existing net deferred tax assets using the lower rate expected to be in effect for the periods when the tax benefit is expected to be realized, resulting in an income tax expense of approximately \$0.4 million which is fully offset by the corresponding tax benefit of \$0.4 million from the corresponding reduction in the valuation allowance in the year ended

March 31, 2018. There were no specific impacts of the Act that could not be reasonably estimated which the Company accounted for under the prior tax law. However, based on a continued analysis of the estimates and further guidance on the application of the law, it is possible that additional revisions may occur throughout the allowable one-year measurement period, as outlined in Staff Accounting Bulletin No. 118.

NOTE 11 - SUBSEQUENT EVENTS

On April 30, 2018 a holder of convertible debentures converted approximately \$0.1 million of principal and interest into approximately 1.6 million shares of common stock.

On June 5, 2018, we entered into a securities purchase agreement (the "SPA") with an accredited investor (the "Buyer") to issue Convertible Debentures (the "Debentures") with a maturity date of one year after the issuance thereof in the aggregate principal amount of up to \$0.3 million on similar terms to those referred to in Note 6 above.

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gergely Toth, certify that:

- (1) I have reviewed this annual report on Form 10-K for the year ended March 31, 2018 of Cantabio Pharmaceuticals Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in the report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 13, 2018

/s/ Gergely Toth

Gergely Toth
Principal Executive Officer

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Simon Peace, certify that:

- (1) I have reviewed this annual report on Form 10-K for the year ended March 31, 2018 of Cantabio Pharmaceuticals Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in the report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 13, 2018

/s/ Simon Peace

Simon Peace

Principal Financial Officer and Acting Principal Accounting Officer

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S. C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Cantabio Pharmaceuticals Inc. (the "Company") for the fiscal year ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gergely Toth, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 13, 2018

/s/ Gergely Toth

Gergely Toth
Principal Executive Officer

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S. C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Cantabio Pharmaceuticals Inc. (the "Company") for the fiscal year ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Peace, Principal Executive Officer and Acting Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 13, 2018

/s/ Simon Peace

Simon Peace
Principal Financial Officer and Acting Principal Accounting Officer
