10-K 1 f10k2017_eternityhealth.htm ANNUAL REPORT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended **April 30, 2017**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [ ] to [ ]

Commission file number **000-53376**

ETERNITY HEALTHCARE INC.
(Exact name of registrant as specified in its charter)

Nevada	**75-3268426**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8755 Ash Street, Suite 1, Vancouver, British Columbia, Canada	**V6P 6T3**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(604) 324-1113**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
N/A	**N/A**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, Par Value of $0.001 Per Share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 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 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 last 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-K (§229.405 of this chapter) 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 (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if smaller reporting company)	☐	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 13(a) of the Exchange 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 aggregate market value of Common Stock held by non-affiliates of the Registrant on October 31, 2016 was $1,091,045.70 based on a $0.06 average bid and ask price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. On October 31, 2016 non-affiliates of the Registrant held 18,184,095 common shares.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

70,929,868 common shares as of August 10, 2017.

DOCUMENTS INCORPORATED BY REFERENCE

None.

TABLE OF CONTENTS

PART I

Item 1. Business

This annual report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors”, that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our consolidated financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common shares” refer to the common shares in our capital stock.

As used in this annual report, the terms “we”, “us”, “our” and “our company” mean Eternity Healthcare Inc. and our wholly owned subsidiary Eternity Healthcare Inc., a British Columbia corporation, unless otherwise indicated.

General Overview

We were incorporated in the State of Nevada on October 24, 2007. On September 23, 2010, we changed our name to Eternity Healthcare Inc., and we effected a reverse split of our issued and outstanding common stock on a 10 old shares for 1 new share basis.

On December 13, 2010 we entered into and completed a share exchange agreement with Eternity Healthcare Inc., a British Columbia corporation, wherein we acquired Eternity BC as our wholly owned subsidiary and abandoned our former business to focus on the operations of Eternity BC.

On June 5, 2014 our company registered to operate within the state of Arizona with the intention to take over operations within the United States from our Canadian subsidiary. Beginning January 1, 2016 our company took over operations within the United States from Eternity Healthcare, Inc. (BC).

Our Current Business

We are a medical device company that, subject to government approval, plans to manufacture and market medical devices. Our first product to be marketed is a needle-free injection system. The products which we hope to market in the future differ from other current offerings by allowing ordinary people to perform injection of medication without the need for professionals.

On June 25, 2012, we entered into a marketing agreement to sell a device which does not require a needle for injection of medicine to the body from Mika Medical Company of South Korea. They provided us with the exclusivity rights for this device throughout North America, Germany, France and Spain and non-exclusive rights for the world market. In 2015, we decided to bring our own needle-free injection device with superior technology to market and cancelled our contract with Mika Medicals.

Principal Product

Currently, our company is focused on a new needle-free injection device technology. This product is currently under development and we hope to be able to finish by the end of 2017. We then plan to register with the regulatory authorities in various countries including in the United States with the FDA.

Needle-free Injection System Applications

Diabetes - It is estimated that there are 50 million diabetics in North America with 8.3% of the total population actually diagnosed. Of the diagnosed diabetic patients, approximately 6 million of those patients (20%) are receiving insulin on a daily basis. The fear surrounding their daily injection is needless as there is technology available to deliver the insulin below the skin that does not require a needle. This option results in a soft injection system that is less painful and less intimidating.

Pediatric Oncology – It is well known that children are horrified of the needle and as result, parents sometimes give up the use of those drugs that have to be injected with a needle and move towards oral drugs (though that is also horrible due to taste barrier), or go for intravenous catheters. There are about 20 injectable anti-cancer drugs where a needle-free injection device can be used instead of a needle. Approximately 10 million children and adolescents receive injections annually.

MS – Multiple sclerosis is a neurological disease affecting almost 400,000 people in the United States. Most patients receive different forms of interferons under various brand names, which are injected subcutaneously on a daily basis. Needle-free injection devices could be used by those patients who are tired of needle injection.

Growth Hormones - Human growth hormones are used for children suffering from lack of growth height and various other conditions and also in adults for work performance, sport performance, losing fat etc. The use of injection by needle for the growth hormones has been a cause of mental barrier for people. Needle-free injection devices are an excellent option for those who do not like needle injections.

Anesthetics – Local anesthetics such as lidocaine are used routinely for surface surgery, dental work and cosmetic procedures. Patients are apprehensive about needles going through their skin for desensitization, particularly where face or dental work is involved. Needle-free injection devices can deliver local anesthetic and pain killer conveniently. Over 20 million injections for local anesthetics are performed annually.

Vaccine - Vaccinations involving a whole range of products is a major healthcare activity. Globally over 1 billion vaccinations of different kinds are performed annually and it is estimated in the US to be about 20 million per annum. Some vaccines are given subcutaneously, some intramuscularly and some intradermally. Most vaccinations (about 90%) are carried out in children. Children become distressed when they receive needles for their vaccinations. Needle-free injection devices are a painless and preferable method of delivering vaccinations to children. .

Cardiovascular - Death due to cardiovascular disease and stroke today surpasses death due to cancer. There have been approximately 30 million deaths resulting from cardiovascular failures in the US. Often oral medications fail to act due to the time in which it takes a drug to get from the digestive organs to the blood. Injectable medications are clearly the better choice. The use of Needle-free injection devices for the injection of cardiovascular medication is invaluable to healthcare professionals concerned with self-contamination and other ancillary inconveniences associated with the use of needles.

Migraine – Migraines are severe pain conditions which are highly common among the adult population. A quick injection of anti-migraine drugs or other sorts of pain killers, including opiates, are often used. Needles are often not a desirable tool for these patients and they may be inclined to use a potentially less effective and slower working non-injection approach. Once again Needle-free injection devices can alleviate the discomfort and inconvenience of needles while providing similar benefits.

Market

Intended and Current

Retail Pharmacies

Currently, the needle-free injectors are not available for sale to individuals. The pharmacists in various countries do not acknowledge a demand for the product. There appears to be a complete lack of knowledge of these devices at the retail level.

Hospitals

Hospitals contain trained professionals who are expected to handle sharps. The pricing model of the two modalities (needle/injector) will need to be much closer together before hospitals agree to use injectors. The US hospital system lends itself well to new technologies and this offers us a huge opportunity in that country.

Physician Offices

Physicians are looking for anything that saves them time. The needle-free injectors offer patients an option and may be considered in this setting. Children have a high level of anxiety with needles.

Corrections

The ability to remove sharps in correctional facilities is considered a major advantage.

Military

The military tends to have mass injection programs and if the injectors can prove to reduce injection time, increase personnel safety or reduce cost, it would be considered as a primary vehicle for vaccine injections.

Corporate Health

This is an upscale market that may appreciate the perceived benefit and advancement that injectors convey.

US Public Health

Public health clinics serve 87 million citizens in the United States and handle most of the immunization needs for these patients. Competitors, such as PharmaJet, got their start in the public health arena in 2009 by providing needle-free injections for the broad H1N1 flu shot campaign in the state of New Jersey. This led to interest from other locations, including Los Angeles County, which is standardizing the PharmaJet needle-free system.

Cosmetic Applications

There may be opportunities with dermatologists, clinics and other health care professionals that perform plastic and/or other surgeries.

Veterinary Medicine

There are also applications for veterinary medicine. Currently, more robust “backpack” versions of injectors using hoses are used with large animals/herds. A small unit of Needle-free injection device (with another brand name) may be useful in a local veterinarian office. This can be investigated when resources and/or the market warrants the focus.

Conclusions:

- The needle-free market has advantages;
- There are specific areas where needle-free holds important advantages;
- Professional support will be crucial to success;
- There are many applications for needle-free technology, although each must be investigated and the largest payoff areas will be attempted first.

Unintended Markets:

It appears that there are other groups of patients that may try to use the Needle-free injection device in areas it is not intended for. Chat rooms for bodybuilders discuss various methods of steroid injection and needle-free technology is discussed. As we move into the marketplace we need to be aware that the product may not be used according to manufacturer's intentions. There may also be applications around tattoo parlors and piercings.

Patient Barriers to Needles

Increasing demand for painless drug delivery will drive the growth of this market. The advent of biologics and biotechnology-based compounds that need to be delivered using specialized delivery systems has also fueled the demand for innovative and effective delivery devices. Needles have one advantage, cost. With increased demand for needle-free technology, new materials discovered and increased production volumes, the costs will drop and that advantage will be lost.

Competition

Around the world, needle-free jet injectors have an established market among diabetic patients. In the United States, more than a dozen needle-free jet injectors have been licensed by the FDA and are on the professionals market. A few of these devices are being used in physicians' offices. The most competitive product to ours is Injex™ which is marketed both to professionals and patients at a cost of $900. In Europe, needle-free injectors have become very popular with about 50% of insulin users utilizing needle-free jet injectors. Currently, each manufacturer makes its own type of cartridge that holds the vaccine which is attached to the device before injection.

AdvantaJet

The AdvantaJet is in its 25th year of production. They claim a durable life-long device with clients still using the jet injector after 20 years of use. They also claim they have studies and have shown increased efficacy over needle injections. Specifically:

- It is the most economical delivery system for insulin for all type 1 diabetics;
- It is the only system that provides a lifetime commitment to replace and repair the product;
- It is the most accurate delivery system providing the most precise dosage;
- It is the most comfortable system with the least skin abrasions and contusions.

They offer a custom made jet that can be supplied to the patient's specific needs. Changes to orifice design and power settings decrease due to the increased absorption. There is no data to support this and it is interesting they discuss cost considering the unit cost shown below.

Proven Effective

AdvantaJet injection technology was tested and determined to be an effective method of managing diabetes in both humans and companion animals.

Conclusions:

Price reflects their attempt to be the best quality, proven injector.

Akra

Akra is a French based company selling the brand Dermojet. They claim to be in over 90,000 physicians' offices around the world. They are squarely focused on the professional market. They have a very sleekly designed unit, almost surgical in its appearance. Although this may deter the average consumer, the look of the unit must be very tempting to professionals. The unit can also be sterilized; something an institutional setting would be interested in.

The Dermojet is patented and in North America is exclusively distributed by Robbins Instruments. They claim it is the finest needleless injection system available on the medical market today. "The innovative design and superior quality have made the Dermojet renowned for its usefulness in many different types of procedures and disciplines.".

Selling features:

- Light weight around 300 gr;
- Trustworthy;
- High technology material;
- Ergonomic: maneuverable, equilibrated, and allows for intensive effortless use;
- Esthetic: A modern, highly polished and streamlined device;
- Efficient: Incorporated reservoir allows for operation in every position;
- Easy to use: The armament is activated by a simple turn of the lever, and the liquid is flushed by pressing the button on the upper part of the machine.

Conclusions:

- Price reflects focus on professional market;
- Specifically designed for professional use.

Antares

Antares Pharma is a pharmaceutical company that focuses on self-injection pharmaceutical products and technologies and topical gel-based products. They have subcutaneous and intramuscular injection platforms that focus mostly on disposable, pressure assisted auto-injectors. Their needle-free injection units are developed with pharmaceutical companies and tend to be product specific. Examples are human growth hormones with Teva (Tjet), Ferring Pharmaceuticals (Zomajet), and JCR Pharmaceuticals (Twin-jector).

Antares is based in Ewing, New Jersey and has a subsidiary in Switzerland. They were formerly known as Medi-Ject Corporation and acquired the operating subsidiaries of Permatec Holding AG, headquartered in Basel, Switzerland. Medi-Ject was focused on delivering drugs across the skin using needle-free technology, and Permatec specialized in delivering drugs across the skin using gel technologies as well as developing oral disintegrating tablet technology. Upon completion of the transaction the name was changed to Antares Pharma Inc. The Parenteral Products (device) group is located in Minneapolis where they develop and manufacture, with partners, various novel pressure assisted injectors, with and without needles, which allow patients to self-inject drugs. They have entered into multiple licenses for these devices mainly in the U.S. and Canada with Teva. Several licensing agreements with pharmaceutical companies of various sizes have led to successful clinical evaluation of formulations.

The kit included:

- Medi-Jector Vision Injector;
- Injection Supply Start-up Kit - 2 nozzles and 2 vial adapters;
- Carrying Case;
- Instruction Manual;
- Training Video.

Conclusions:

- Antares focuses on the larger market of needle-free that includes all modes of delivery;
- They have a successful track record of pharmaceutical collaboration;
- They have multiple office sites and abilities;
- They are aggressively pursuing markets both collaboratively and alone.

Zogenix

Zogenix is a California based company that currently markets Sumavel DosePro. This is a needle-free delivery system that requires a prescription and is used to treat adults who have been diagnosed with acute migraine or cluster headaches. Zogenix claims that DosePro is a first-in-class, easy-to-use drug delivery system designed for self-administration of a pre-filled, single dose of liquid drug, subcutaneously, without a needle. DosePro offers benefits to patients including instant, easy dosing, less anxiety over self-injection, no need for sharps disposal, no risk of needle stick injury or contamination, and reliable performance.

Zogenix's lead investigative product is the Zohydro ER, which received FDA approval in October, 2013. It offers the benefit of less frequent dosing and the ability to treat chronic pain patients without the risk of acetaminophen-related liver injury. The second investigational product candidate they have is Relday, which is a combination of their DosePro needle-free system and a proprietary, subcutaneous, once-monthly formulation of risperidone for the treatment of schizophrenia.

Conclusions:

- Zogenix is another successful player in this category;
- Off patent pharmaceuticals seem to get a new life with novel injector technologies;
- A lot of money can be raised in this area with a strong management team.

Inovio Pharmaceuticals

Inovio Pharmaceuticals entered the needless injector market through its acquisition of BioJect in March, 2016. BioJect was dedicated to the improvement of delivery of pharmaceuticals and biologics through the development and commercialization of advanced needle-free injection technologies and developed a broad platform technology for delivering injectable vaccines and medications using its proprietary pressure profiles. This proprietary technology enables BioJect to provide needle-free injection systems which have a greater range of capabilities than other available devices.

The products as marketed are:

Biojector 2000 Needle-free Injection System

The Biojector 2000 is a durable, professional-grade injection system designed for healthcare providers. They claim that it is the only needle-free system in the world cleared by the FDA to deliver intramuscular injections. The system can also deliver subcutaneous injections, and is being used for intradermal injections in clinical trials.

BioJect ZetaJet

The ZetaJet system consists of two components, the portable injector and an auto-disabling disposable syringe. It is intended to deliver vaccines and injectable medications either subcutaneously or intramuscularly and is indicated for both professional use and home use for patients who self-inject.

Conclusions:

- The products are similar to ours;
- Inovio is an established bio technology company.

BioValve

BioValve Technologies, Inc. operates as a specialty pharmaceutical and drug delivery company engaging in the development and commercialization of chemical entities for the treatment of conditions of the central nervous system. The company offers various dopamine agonists for treatment of Parkinson's disease and schizophrenia; and novel disposable pharmaceutical delivery systems. The company, through its subsidiary, offers h-Patch and e-Patch controlled release disposable micro pump systems; Mini-Ject, a pre-filled needle-free delivery system; and the Micro-Trans, a micro needle transdermal delivery patch. Its products provide insulin management for patients. BioValve Technologies, Inc. is a private company and was founded in 1998. It is based in Parsippany, New Jersey with an additional location in Westborough, Massachusetts.

Conclusions:

- BioValve is quite interesting as the principle is also involved with Valeritas;
- They focus on the bigger market of needle-free delivery, not just jet injectors.

Injex

Injex Pharma AG is a wholly owned subsidiary of Paketeria AG as of December 16, 2011. It markets and sells the Injex 30 System worldwide. The Injex 30 is a syringe without a needle used in multiple medical, cosmetic and anesthetic applications. It is interesting to note that Injex is expanding into cosmetic and launching Shireen Beauty system focused on the rejuvenation of the skin. Fluid is sprayed with high pressure within a small distance of the skin via a pore-jet allowing the fluid open access to pores contained in the upper layers of the skin. Injex is casting as wide a market as possible targeting diabetes, local and dental anesthetics, allergy and fertility treatments, vaccinations, veterinary use, erectile dysfunction and growth hormones.

Conclusions:

- Injex is expensive both the device and nozzles;
- Injex has an agreement for Canadian and US distribution;
- Injex should be an immediate competitor;
- Injex foray into beauty may hurt/help, further study is needed.

Pharmajet

Pharmajet is based in Golden, Colorado. They are focused on a safer workplace, lower needle reuse, and to help children avoid needle anxiety.

Pharmajet was founded by Kathy Callender who insisted her device be cost competitive with the cheapest needles. Her goal is that poor countries can afford needle free technology but this has also led to the ability to underbid rivals to supply pharmaceutical companies. She has raised $14 million from investors. In March 2011 Pharmajet completed unspecified B round financing. It seems their plan is to build sales volume in the U.S. vaccination market through public-health departments and pharmacy chains, then among consumers who self-inject at home; and doctor's offices here and abroad. That way, PharmaJet expects to approach a production volume of 50 million cartridges a year which would allow it to compete on a price level with needles in developing countries. Pharmajet received FDA clearance last year for the use of their needle-free injection device for vaccination purposes.

Conclusions:

- The founder is a dedicated supporter of helping the third world;
- The focus on low cost has the ability to shrink the market if successful;
- Zogenix was quoted as saying they wouldn't survive;
- They are not focused on pharmaceutical collaboration, however they have landed deals that focus on the goal of affordable expansion.

Crossject

Crossject is a French company that successfully designs and develops innovative, needle-free, pre-filled, single-use injection systems for intradermal, subcutaneous and intramuscular applications for pharmaceutical companies. They use their single technological platform and offer exclusive partnerships to pharmaceutical companies in a given field or therapeutic class. Crossject is based in Paris and has offices in Dijon. Crossject technology is the outcome of research and development cooperation initiated and developed with industrial partners, each a European leader in its field.

The Zeneo is made up of three distinct subassemblies: an actuator, a pharmaceutical subassembly and a nozzle. The actuator generates sufficient pressure to inject the drug to the required depth beneath the skin, without the use of a needle. The platform can be adapted to different pharmaceutical applications:

- the intensity of the gas generator and the nozzle can be adapted to ensure the proper penetration and optimal distribution of the drug in the target tissue;
- the pharmaceutical subassembly can be aseptically filled on standard high-throughput syringe filling line;
- To date, Crossject has filed 26 patent family applications and holds over 370 patents granted worldwide.

Conclusions:

- Crossject is focused on the European market;
- Crossject has been successful with pharmaceutical collaborations;
- Their perceived lack of customization in the consumers' eyes may turn off some potential partners.

Valeritas

Valeritas develops and commercializes drug delivery solutions. The company focuses on the treatment of diabetes. Its products include V-Go, a disposable insulin delivery device that provides a preset basal rate and on-demand bolus dosing for mealtime coverage. The company's products also include h-Patch for the delivery of various compounds; Mini-Ject pre-filled needle-free delivery system to deliver drugs ranging from molecules to proteins, fragile antibodies, and vaccines; and Micro-Trans micro needle array patch technology for drug delivery into the dermis. Valeritas, Inc. was founded in 2006 and is headquartered in Bridgewater, New Jersey. The Mini-Ject is manufactured under Biovalve and these two companies are both linked privately.

Conclusions:

- Valeritas has synergy with BioValve;
- Valeritas has been successful in collaborations with drug companies;
- Valeritas has the ability to provide other novel drug delivery products.

Penjet

It is a single use, disposable jet injector that comes prefilled with the proper drug dose. It can be administered in a few seconds by a care giver or the patient themselves.

Penjets are tailored for each specific drug it delivers. Exclusive licenses for particular drugs are available. An exclusive license offers pharmaceutical firms a sustainable competitive advantage in a patented, low cost, needle-less drug delivery system.

Conclusions:

- Penjet does not seem to be very active;
- Penjet is disposable.

Consort Medical plc

Consort Medical is the manufacturer of Bespak Injectables' reusable needle-free jet injectors. Bespak's innovation focus is on drug delivery and point-of-care diagnostic consumables. Their competitive product is a spring powered injector. Consort produces:

- MHP-1 Needle-free Jet Injector which incorporates a 2-step actuation mechanism, electronic dose setting; adaptable for specific formulations, concentrations and dosing systems (e.g. volumetric or gravimetric) digital, easy-to-read dose display;
- SQ-PEN Needle-free Jet Injector which incorporates push actuation mechanism, analogue dose setting;
- SQ-X Needle-free Jet Injector which incorporates button-based actuation mechanism, analogue dose setting.

Conclusions:

- This company is not found on the partial list of needle-free injectors and was added as an example of how many other manufacturers there are. This has led to the conclusions below.

Competitive Landscape Conclusions

Antares cites as competition, The Medical House plc. Medical House developed the Cool.clickTM2 needle-free injector for Merck Serono. However it had revenue results for the year ended April 30, 2012 of £1.4 million (USA $2,169,197) representing a growth by 25%. They are included here as an example of the many niche companies that are pairing up with pharmaceutical companies.

There is also competition from internal groups within large pharmaceutical companies and various design houses which complete the design of devices for companies but don't have manufacturing management capabilities. There are a number of companies that are relatively inactive, focused on peripheral markets or concentrated on certain geographic areas.

This leaves us with our perceived competitors at launch. Our company will focus on diabetes and begin forging alliances to strategically place itself squarely in this area.

Government Regulations

Government authorities in the United States and Canada, at the federal, state and local levels, and other countries extensively regulate, among other things, the research, development, testing, manufacturing, labeling, promotion, advertising, distribution, marketing and export and import of medical devices such as needle-free injection systems. The process of obtaining regulatory approvals and the subsequent substantial compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

We are required to obtain two sets of license for the sale and marketing of medical devices. In Canada, as in the United States and Europe, needle-free injection systems are classified as medical devices and require the following licenses: 1) Product License; and 2) Establishment License.

Product License: Needle-free injection systems are classified internationally as Class I or II and in the United States are subject to 510-k regulatory filing fee.

Description of Different Classes

Class I includes products of which several examples are already approved and marketed in Canada or USA. As long as the basic science remains the same, the application for approval of a new product is straight forward. One product in this category would be a pregnancy test or regular needle/syringes.

Class II products are those which do not need to be injected (the device itself) or inserted into the patient (non-invasive). Often these products are approved and sold throughout the world. The products which we are currently focusing on distributing all belong to Class II. In order to secure the necessary license for these products, we are required to submit all the documentation which will lead to the approval of the products in other countries. In our case, our products are already approved in Europe, Canada, etc. As far as for FDA compliance is concerned, we are required to submit all of the scientific data, results, approval process and certificates of good quality management pursuant to ISO 13485 and ISO 21649-2006. Usually, products which have the ISO accreditation and CE Mark easily obtain FDA approval.

Environmental Regulations

We are not aware of any material violations of environmental permits, licenses or approvals that have been issued with respect to our operations. We expect to comply with all applicable laws, rules and regulations relating to our business, and at this time, we do not anticipate incurring any material capital expenditures to comply with any environmental regulations or other requirements.

While our intended projects and business activities do not currently violate any laws, any regulatory changes that impose additional restrictions or requirements on us or on our potential customers could adversely affect us by increasing our operating costs or decreasing demand for our products or services, which could have a material adverse effect on our results of operations.

Employees

As of April 30, 2017 we had two full time employees and two consultants, working on our business. We plan (within next twelve months) to hire one new full-time employee and one additional consultant to work for us on marketing, distribution, commercialization of our products.

REPORTS TO SECURITY HOLDERS

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission and our filings are available to the public over the internet at the Securities and Exchange Commission's website at http://www.sec.gov. The public may read and copy any materials filed by us with the Securities and Exchange Commission at the Securities and Exchange Commission's Public Reference Room at 100 F Street N.E. Washington D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-732-0330. The SEC also maintains an Internet site that contains reports, proxy and formation statements, and other information regarding issuers that file electronically with the SEC, at http://www.sec.gov.

Item 1A. Risk Factors

Much of the information included in this annual report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections and estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other "forward looking statements" involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward looking statements".

Risks Related to Our Business

We have a history of losses and a limited history of revenues, which raise substantial doubt about our ability to continue as a going concern.

From inception to April 30, 2017, we have incurred aggregate net losses of $2,846,893. We can offer no assurance that we will ever operate profitably or that we will generate positive cash flow in the future. In addition, our operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as the unpredictability of when customers will order products, the size of customers' orders, the demand for our products, and the level of competition and general economic conditions.

Our company's operations will be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. No assurance can be given that we may be able to operate on a profitable basis.

Due to the nature of our business and the early stage of our development, our securities must be considered highly speculative. We have not realized a profit from our operations to date and there is little likelihood that we will realize any profits in the short or medium term. Any profitability in the future from our business will be dependent upon the successful commercialization or licensing of our core products, which themselves are subject to numerous risk factors as set forth below.

We expect to continue to incur development costs and operating costs. Consequently, we expect to incur operating losses and negative cash flows until our products gain market acceptance sufficient to generate a commercially viable and sustainable level of sales, and/or additional products are developed and commercially released and sales of such products made so that we are operating in a profitable manner. Our history of losses and limited history of revenues raise substantial doubt about our ability to continue as a going concern.

We have had negative cash flows from operations since inception. We will require significant additional financing, the availability of which cannot be assured, and if our company is unable to obtain such financing, our business may fail.

To date, we have had negative cash flows from operations and have depended on sales of our equity securities and debt financing to meet our cash requirements. We may continue to have negative cash flows. We have estimated that we will require approximately $500,000 to carry out our business plan for the next twelve months. There is no assurance that actual cash requirements will not exceed our estimates. We will require additional financing to finance working capital and pay for operating expenses and capital requirements until we achieve a positive cash flow.

Our ability to market and sell our medical devices will be dependent upon our ability to raise significant additional financing. If we are unable to obtain such financing, we will not be able to fully develop our business. Specifically, we will need to raise additional funds to:

- Support our planned growth and carry out our business plan;
- Hire top quality personnel for all areas of our business; and
- Address competing technological and market developments.

We may not be able to obtain additional equity or debt financing on acceptable terms as required. Even if financing is available, it may not be available on terms that are favorable to us or in sufficient amounts to satisfy our requirements. Any additional equity financing may involve substantial dilution to our then existing shareholders. If we require, but are unable to obtain, additional financing in the future, we may be unable to implement our business plan and our growth strategies, respond to changing business or economic conditions, withstand adverse operating results and compete effectively. More importantly, if we are unable to raise further financing when required, we may be forced to scale down our operations and our ability to generate revenues may be negatively affected. Additionally, if we were unable to further finance our company, we may become illiquid and may become unable to fulfill our public reporting obligations.

We have a limited operating history and if we are not successful in continuing to grow our business, then we may have to scale back or even cease our ongoing business operations.

We have a limited history of revenues from operations and have no significant tangible assets. We have yet to generate positive earnings and there can be no assurance that we will ever operate profitably. Accordingly, we must be considered in the development stage. Our success is significantly dependent on a successful commercialization of our products. Our operations will be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. We may be unable to develop a successful product or achieve commercial acceptance of our product or operate on a profitable basis. We are in the development stage and potential investors should be aware of the difficulties normally encountered by enterprises in the development stage. If our business plan is not successful, and we are not able to operate profitably, investors may lose some or all of their investment in our company.

If we fail to effectively manage the growth of our company and the commercialization of our product, our future business results could be harmed and our managerial and operational resources may be strained.

As we proceed with the commercialization of our product and the expansion of our marketing and commercialization efforts, we expect to experience significant growth in the scope and complexity of our business. We will need to add staff to market our services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. We anticipate that we will be required to hire a broad range of additional personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our potential business, or the failure to manage growth effectively, could have a material adverse effect on our business and financial condition.

Our by-laws contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.

Our by-laws contain provisions with respect to the indemnification of our officers and directors against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection with any action, suit or proceeding to which they were made parties by reason of his or her being or having been one of our directors or officers.

Risks Related to Our Common Stock

A decline in the price of our common stock could affect our ability to raise further working capital, it may adversely impact our ability to continue operations and we may go out of business.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because we may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may cause investors to not choose to invest in our stock. If we are unable to raise the funds we require for all of our planned operations, we may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. As a result, our business may suffer and not be successful and we may go out of business. We

also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to go out of business.

If we issue additional shares in the future, it will result in the dilution of our existing shareholders.

We are authorized to issue up to 300,000,000 shares of common stock with a par value of $0.001. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to provide additional financing in the future. The issuance of any such shares will result in a reduction of the book value and market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of our company.

Trading of our stock may be restricted by the Securities Exchange Commission's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority (FINRA), formerly the National Association of Securities Dealers or NASD, has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Item 1B. Unresolved Staff Comments

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 2. Properties

We currently rent a warehouse and an assembly space of about 2,000 square feet at 8755 Ash Street, Suite 1, Vancouver, British Columbia, Canada, V6P 6T3. Our office is also in the same location. Effective February 1, 2017, we are required to pay CAD $2,840 (USD $2,266). The original term of our lease was for a period of one year. We are currently renting this space month-to-month.

Item 3. Legal Proceedings

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is not traded on any exchange. Our common stock is quoted on the OTC Pink under the trading symbol "ETAH". We cannot assure you that there will be a market in the future for our common stock.

OTC Pink securities are not listed and traded on the floor of an organized national or regional stock exchange. Instead, OTC Pink securities transactions are conducted through a telephone and computer network connecting dealers. OTC Pink issuers are traditionally smaller companies that do not meet the financial and other listing requirements of a national or regional stock exchange.

The following table reflects the high and low bid information for our common stock obtained from Stockwatch and reflects inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

The high and low bid prices of our common stock for the periods indicated below are as follows:

OTC Markets

Quarter Ended	High	Low
April 30, 2017	$ 0.072	$ 0.0324
January 31, 2017	$ 0.175	$ 0.035
October 31, 2016	$ 0.09	$ 0.03
July 31, 2016	$ 0.06	$ 0.01
April 30, 2016	$ 0.04	$ 0.01
January 31, 2016	$ 0.07	$ 0.02
October 31, 2015	$ 0.08	$ 0.025
July 31, 2015	$ 0.18	$ 0.02
April 30, 2015	$ 0.06	$ 0.03

As of August 10, 2017, there were approximately 25 registered holders of record of our common stock including 1140 shareholders in CEDE & Co (NOBO List). As of such date, 70,929,868 common shares were issued and outstanding.

Our common shares are issued in registered form. Island Stock Transfer, 15500 Roosevelt Blvd. Suite 301, Clearwater, FL 33760, (Telephone: (727) 289-0010) is the registrar and transfer agent for our common shares.

Dividend Policy

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

Equity Compensation Plan

On January 15, 2013, our directors approved the adoption of the 2013 Stock Option Plan which permits our company to issue up to 6,300,000 shares of our common stock to directors, officers, employees and consultants of our company upon the exercise of stock options granted under the 2013 Stock Option Plan.

The following table summarizes certain information regarding our equity compensation plans as at April 30, 2017:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	Nil	Nil	Nil
Equity compensation plans not approved by security holders	200,000(1)	$ 0.80	6,100,000
Total	200,000	$ 0.80	6,100,000

(1) Includes 100,000 unexercised stock options issued on January 15, 2013 and 100,000 unexercised stock options issued on January 18, 2013.

Convertible Securities

As of April 30, 2017, we had outstanding options to purchase 200,000 shares of our common stock exercisable at $0.80.

On January 15, 2013 our director, Bin Huang, was granted 100,000 stock options exercisable at a price of $0.80 per share for a period of five years from the date of grant. The vesting schedules for the stock options are 12,500 options every quarter from January 15, 2013.

On January 18, 2013 our director, Dominique F. Borrelly, was granted 100,000 stock options exercisable at a price of $0.80 per share for a period of five years from the date of grant. The vesting schedules for the stock options are 12,500 options every quarter from January 18, 2013.

A summary of the status of the Company's warrants as of April 30, 2017 is presented below:

	Number of shares
Warrants as at April 30, 2015	-
Warrants granted	-
Exercised, forfeited or expired	-
Warrants as at April 30, 2016	-
Warrants granted	2,000,000
Exercised, forfeited or expired	-
Outstanding at April 30, 2017	2,000,000
Exercisable at April 30, 2017	2,000,000

The following table summarizes information about the warrants as of April 30, 2017:

	Warrants outstanding			Warrants exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.001	2,000,000	2.59	$ 0.001	2,000,000	$ 0.001

Stock options

During the fiscal year ended April 30, 2013, the Company granted 200,000 stock options for services. The fair value of the stock options granted were estimated on the date granted using the Black-Scholes pricing model, with the following assumptions used for the valuation: exercise price of $ 0.80 per share, average risk-free interest rate of 0.79%, expected dividend yield of zero, expected lives of five years and an average expected volatility of 2.99%. During the years-ended April 30, 2017 and 2016, the Company recognized expense of $ Nil and $ Nil related to options that vested, respectively.

Stock options - continued

A summary of the status of the Company's stock options as of April 30, 2017 is presented below:

	Number of shares
Balance of stock options as at April 30, 2015	200,000
Options granted	-
Balance of stock options as at April 30, 2016	200,000
Options granted	-
Exercised, forfeited or expired	-
Outstanding at April 30, 2017	200,000
Exercisable at April 30, 2017	200,000

The following table summarizes information about the stock options as of April 30, 2017:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.80	200,000	0.69	$ 0.80	200,000	$ 0.80

The following table summarizes information about the stock options as of April 30, 2016:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.80	200,000	1.72	$ 0.80	200,000	$ 0.80

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On October 24, 2016, we issued 2,500,000 of our common stock at a deemed price of $0.09 per share for a total price of $225,000 for services rendered to our Company. The common shares were issued to one US person based on exemptions from registration found in Section 4(2) of the Securities Act of 1933, as amended.

On March 28, 2017, we issued 1,000,000 of our common stock at a price of $0.025 per share for a total price of $25,000 upon the closing of a private placement. The common shares were issued to one non-US person (as that term is defined in Regulation S of the Securities Act of 1933, as amended) in an offshore transaction relying on Regulation S of the Securities Act of 1933, as amended).

On April 12, 2017, we issued 1,000,000 of our common stock at a deemed price of $0.042 per share for a total price of $42,000 for services rendered to our Company. The common shares were issued to one US person based on exemptions from registration found in Section 4(2) of the Securities Act of 1933, as amended.

Except as noted above, we did not sell any equity securities which were not registered under the Securities Act during the year ended April 30, 2017.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during our fourth quarter of our fiscal year ended April 30, 2017.

Item 6. Selected Financial Data

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited financial statements and the related notes for the years ended April 30, 2017 and April 30, 2016 that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this annual report, particularly in the section entitled "Risk Factors" beginning on page 11 of this annual report.

Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Purchase of Significant Equipment

We do not intend to buy any significant equipment over the next twelve months.

Personnel Plan

We plan to hire one new full-time employee and one additional consultant to work on marketing, distribution, commercialization and regulatory approvals our products in the next 12 months.

Results of Operations

For the Year Ending April 30, 2017 and 2016

	Year Ended April 30,	
	2017	**2016**
Revenue	$ 2,733	$ 84,202
Cost of goods sold	$ 1,051	$ 34,050
Operating expenses	$ 703,465	$ 393,541
Net loss	$ (736,071)	$ (388,622)

Revenue

We have earned $218,848 in revenue since our inception on December 10, 2009. We have earned $2,733 in revenue in fiscal 2017 (2016 - $84,202). The decrease in revenues in the current year was due to a shift in focus of the products being sold by the Company.

Expenses

Our operating expenses for our years ended April 30, 2017 and 2016 are outlined in the table below:

	Year Ended April 30,	
	2017	**2016**
General and administrative	$ 482,872	$ 92,728
Professional fees	$ 50,914	$ 37,882
Research and Development	$ 28,851	$ 110,792
Salaries	$ 140,828	$ 152,139

Operating expenses for the year ended April 30, 2017 increased by $309,924 as compared to the comparative period in 2016 primarily as a result of an increase in general and administrative expenses and professional fees. The increase in general and administrative expenses is a result of increased consulting fees as the Company sought different strategic partnerships throughout the year.

Our financial statements report a net loss of $736,071 for the twelve month period ended April 30, 2017 compared to a net loss of $388,622 for the twelve month period ended April 30, 2016. Our losses have increased by $347,449 primarily as a result of a decrease in product sales and cost of goods sold and an increase in expenses.

Liquidity and Financial Condition

Working Deficit

	At April 30, 2017	At April 30, 2016
Current Assets	$ 203,980	$ 618,618
Current Liabilities	$ 980,394	$ 1,134,831
Working Capital (deficit)	$ (776,414)	$ (516,213)

Our total current liabilities as of April 30, 2017 were $980,394 as compared to total current liabilities of $1,134,831 as of April 30, 2016. The decrease was primarily due to a decrease in accounts payable and amounts due to related parties. During the year our company received proceeds of $98,906 from related parties and made repayments of $188,733. As at April 30, 2017 our company had short-term investments of $nil compared to $320,584 as at April 30, 2016.

Cash Flows

	Year Ended April 30, 2017	Year Ended April 30, 2016
Net Cash Used In Operating Activities	$ (338,132)	$ (325,118)
Net Cash Provided By Investing Activities	$ 303,525	$ 154,635)
Net Cash Provided by Financing Activities	$ (64,827)	$ 30,678
Effect of Rates on Cash	$ (11,487)	$ (15,302)
Increase (Decrease) in Cash During the Period	**$ (110,921)**	**$ (155,107)**

Operating Activities

Net cash used in operating activities was $338,132 for the year ended April 30, 2017 compared with net cash used in operating activities of $325,118 in the same period in 2016. The increase in cash used was primarily a result of an increase in the net loss offset by the issuance of shares and warrants for consulting services.

Investing Activities

Net cash provided by investing activities was $303,525 for the year ended April 30, 2017 compared to net cash provided by investing activities of $154,635 in the same period in 2016. The increase in cash provided by investing activities is due to our company withdrawing USD$303,525 from our GIC and interest received of USD $615.

Financing Activities

The Company used $64,827 of cash in financing activities for the year ended April 30, 2017 compared to $30,678 in net cash provided by financing activities in the same period in 2016. The increase is a result of an increase of investment cash used offset by $25,000 proceeds from the issuance of common stock.

Anticipated Cash Requirements

We have sufficient funds to complete our development and marketing plans. We do not believe that we need to raise any capital to finance our operations.

Future Financings

We believe we do not require any additional financing. We believe with the funds currently on hand and the revenue generated from the sale of our product, it should be sufficient to continue our operation.

Contractual Obligations

As a “smaller reporting company”, we are not required to provide tabular disclosure obligations.

Going Concern

If our operations and cash flow improve, management believes that we can continue to operate well into the future. However, no assurance can be given that management’s actions will result in profitable operations or an improvement in our liquidity situation. The threat of our ability to continue as a going concern will cease to exist only when our revenues have reached a level able to sustain our business operations.

Off-Balance Sheet Arrangements

We have no 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 is material to stockholders.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management’s application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of our company and its wholly-owned subsidiary, Eternity Healthcare Inc. (B.C.). All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Inventory

Inventory is stated at the lower of cost or market with cost determined under the weighted average cost method.

Revenue

Revenue is recognized at the point of sale and includes shipping revenue for delivery to the purchaser. Total revenues do not include sales taxes as we serve as a pass-through conduit for collecting and remitting sales taxes. We recognize retail sales returns as they occur as historical returns have been negligible.

Foreign Currency Translation

Our company's functional currency is the Canadian dollar and reporting currency is the U.S. dollar. All transactions initiated in other currencies are translated into the reporting currency in accordance with ASC 830, "Foreign Currency Matters" as follows:

i) Assets and liabilities at the rate of exchange in effect at the balance sheet date; and

ii) Revenue and expense items at rate of exchange at the dates on which those elements are recognized.

At April 30, 2017, 1 United States dollar was equal to 1.3665 Canadian dollars (April 30, 2016 - 1.2536). The average rate of exchange for the year ended April 30, 2017 was 1.317 (April 30, 2016 - 1.3163).

Gains and losses on translation are included in other comprehensive income (loss) in stockholders' deficiency for the period.

Fair Value

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and due to related parties approximate their fair values because of the short-term maturity of these financial instruments.

Interest Rate Risk

Our company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Our company's credit risk is primarily attributable to cash and accounting receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and accounts receivable is remote.

Currency Risk

Our company's operating expenses are primarily incurred in Canadian dollars, and fluctuation of the Canadian dollar in relation to the United States dollar will have an impact upon the profitability of our company and may also have an effect of the value of our company's. Our company has not entered into any agreements or purchased any instruments to hedge possible currency risk. At April 30, 2017, 1 United States dollar was equal to 1.365 Canadian dollars.

Basic and Diluted Net Income (Loss) Per Share

Basic and diluted net income (loss) per share

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share". ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As at April 30, 2017 there were outstanding stock options and warrants totaling 2,200,000 common shares (2016 – 200,000).

Income Taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with ASC 740, "Income Taxes", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Comprehensive Loss

ASC 22, "Comprehensive Income", establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at April 30, 2017, our company has items that represent a comprehensive income (loss) and, therefore, have included a schedule of comprehensive income (loss) in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Segments of an Enterprise and Related Information

ASC 280, "Segment Reporting" establishes guidance for the way that public companies report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. ASC 280 defines operating segments as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Our company has evaluated this Codification and does not believe it is applicable at this time.

Recent Accounting Pronouncements

Our company does not expect the adoption of any other recent accounting pronouncements to have a material impact on our financial statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

Eternity Healthcare Inc.

Consolidated Financial Statements

Years ended April 30, 2017 and 2016

(Expressed in U.S. Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Eternity Healthcare, Inc.

We have audited the accompanying consolidated balance sheets of Eternity Healthcare, Inc. as of April 30, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit), and cash flows for each of the years in the two year period ended April 30, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects the financial position of Eternity Healthcare, Inc. as of April 30, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two year period ended April 30, 2017, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered net losses since inception and has accumulated a significant deficit. These factors raise substantial doubt about 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.

/s/ Sadler, Gibb &Associates, LLC

Salt Lake City, UT
August 15, 2017

Eternity Healthcare Inc.

Consolidated Balance Sheets
(Expressed in U.S. Dollars)

	April 30, 2017 $	April 30, 2016 $
Assets		
Current assets		
Cash and cash equivalents	148,119	259,040
Short-term investments (Note 4)	-	320,584
Prepaid expenses	24,320	32,593
GST/HST receivable	1,258	3,337
Inventory (Note 5)	30,283	3,064
Total assets	203,980	618,618
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	128,607	156,944
Due to related parties (Note 7)	851,787	977,887
Total current liabilities	980,394	1,134,831
Stockholders' equity (deficit)		
Capital stock (Note 8)		
Authorized		
300,000,000 common shares, par value $ 0.001		
Issued and outstanding		
April 30, 2017 - 70,929,868 common shares		
April 30, 2016 - 66,429,868 common shares	70,930	66,430
Additional paid-in capital	1,946,740	1,539,591
Accumulated other comprehensive income (loss)	52,809	(11,412)
Accumulated deficit	(2,846,893)	(2,110,822)
Total stockholders' (deficit)	(776,414)	(516,213)
Total liabilities and stockholders' equity (deficit)	203,980	618,618

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

Eternity Healthcare Inc.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in U.S. Dollars)

	Year ended April 30, 2017 $	Year ended April 30, 2016 $
Revenue		
Product sales	2,733	84,202
Cost of goods sold	1,051	34,050
Gross margin	1,682	50,152
Operating expenses		
General and administrative	482,872	92,728
Professional fees	50,914	37,882
Research and development	28,851	110,792
Salaries	140,828	152,139
Total operating expenses	703,465	393,541
Loss from operations	(701,783)	(343,389)
Other income (expense)		
Interest income	615	3,685
Interest expense	(34,903)	(48,918)
Total other income (expense)	(34,288)	(45,233)
Net loss	(736,071)	(388,622)
Comprehensive loss		
Net loss for the year	(736,071)	(388,622)
Foreign currency translation adjustments	64,221	(10,427)
Comprehensive loss for the year	(671,850)	(399,049)
Net loss per share - basic and diluted	(0.01)	(0.01)
Weighted average number of common shares Outstanding - basic and diluted	67,810,690	66,429,868

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

Eternity Healthcare Inc.

Consolidated Statements of Stockholders' Equity (deficit)
(Expressed in U.S. Dollars)

	Number of shares	Amount ($0.001 par) $	Additional paid-in capital $	Accumulated OCI $	Accumulated deficit $	Total $
Balance as at April 30, 2015	66,429,868	66,430	1,539,591	(985)	(1,722,200)	(117,164)
Currency translation adjustments	-	-	-	(10,427)	-	(10,427)
Net loss for the year ended April 30, 2016	-	-	-	-	(388,622)	(388,622)
Balance as at April 30, 2016	66,429,868	66,430	1,539,591	(11,412)	(2,110,822)	(516,213)
Common stock issued for cash	1,000,000	1,000	24,000	-	-	25,000
Common stock issued for services	3,500,000	3,500	263,500	-	-	267,000
Stock warrants issued for services	-	-	119,649	-	-	119,649
Currency translation adjustments	-	-	-	64,221	-	64,221
Net loss for the year ended April 30, 2017	-	-	-	-	(736,071)	(736,071)
Balance as at April 30, 2017	70,929,868	70,930	1,946,740	52,809	(2,846,893)	(776,414)

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

Eternity Healthcare Inc.

Consolidated Statements of Cash Flows
(Expressed in U.S. Dollars)

	Year ended April 30, 2017 $	Year ended April 30, 2016 $
Operating activities		
Net loss for the year	(736,071)	(388,622)
Adjustments to reconcile to net loss to net cash used in operating activities		
Expenses paid on behalf of the Company by related parties	8,604	7,334
Common shares and warrants issued for consulting services	386,649	-
Changes in operating assets and liabilities		
Inventory	(25,708)	25,596
Prepaid expenses	6,807	(28,383)
Accounts payable and accrued liabilities	18,287	59,877
Accounts receivable	3,300	(920)
Net cash used in operating activities	(338,132)	(325,118)
Investing activities		
Short-term investments	303,525	154,635
Net cash provided by investing activities	303,525	154,635
Financing activities		
Proceeds from related party payables	98,906	502,137
Repayments on related party payables	(188,733)	(471,459)
Proceeds from common stock issued for cash	25,000	-
Net cash provided by (used in) financing activities	(64,827)	30,678
Effect of exchange rate changes on cash	(11,487)	(15,302)
Increase (decrease) in cash	(110,921)	(155,107)
Cash, beginning of year	259,040	414,147
Cash, end of year	148,119	259,040
Supplementary Information		
Cash paid for:		
Interest	-	-
Income taxes	-	-

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

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

1. Nature and continuance of operations

Eternity Healthcare Inc. (the "Company") was incorporated under the laws of the State of Nevada on October 24, 2007 under the name Kid's Book Writer, Inc. On September 23, 2010, the Company changed its name to Eternity Healthcare Inc., and affected a reverse stock split of the issued and outstanding common stock at a factor of 10 old shares for 1 new share. The Company is focused on offering a range of medical devices and diagnostics.

On December 13, 2010, pursuant to the terms of a share exchange agreement, the Company acquired 100% of the issued and outstanding common stock of Eternity Healthcare Inc., a company incorporated under the laws of the Province of British Columbia on December 10, 2009 ("Eternity BC"), for 60,000,000 shares of its own common stock, which were distributed to the shareholders of Eternity BC (the "Share Exchange Agreement").

The Share Exchange Agreement, which represents a majority of the then issued and outstanding shares of the Company, constituted a change in control of the Company. The acquisition of Eternity BC was accounted for as a reverse acquisition in accordance with Accounting Standards Codification ("ASC") 805-40, "Business Combinations". The Company determined for accounting and reporting purposes that Eternity BC is the acquirer because of the significant holdings and influence of the control group of the Company before and after the acquisition. As a result of the transaction, Eternity BC shareholders own approximately 94.4% of issued and outstanding common stock of the Company on a diluted basis.

On June 25, 2012, the Company entered into a marketing agreement with Mika Medical Company of Korea to be the sole marketer of a new line of needle-free injection product for North America. Furthermore, the marketing agreement was extended to some European countries (German, France, and Spain) in December 2012. Additionally, the Company obtained the rights to market the products throughout the world with an amendment dated December 20, 2012.

Since signing the Distribution Agreement with Mika Medicals, the Company has emerged in organizational and start-up activities, including developing a new business plan, making arrangements for office space and raising additional capital. The Company is generating revenue from product sales.

On June 5, 2014 the Company registered to operate within the state of Arizona with the intention to take over operations within the United States from the Canadian subsidiary. Beginning January 1, 2016 the Company took over operations within the United States from the BC Company.

The Company has a net loss of $ 736,071 for the year ended April 30, 2017 (April 30, 2016 - $ 388,622) and has a working capital deficit of $ 776,414 as at April 30, 2017 (April 30, 2016 - $ 516,213).

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

2. Going concern

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on its obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

3. Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Basis of presentation
These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are expressed in U.S. dollars.

Principles of consolidation
The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Eternity Healthcare Inc. (BC) and Eternity Healthcare Inc. (Arizona). All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and cash equivalents
Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Inventory
Inventory is stated at the lower of cost or market with cost determined under the weighted average cost method.

Revenue
Revenue is recognized at the point of sale and includes shipping revenue for the delivery to the purchaser. Total revenues do not include sales taxes as we serve as a pass-through conduit for collecting and remitting sales taxes. We recognize retail sales returns as they occur as historical returns have been negligible. In accordance with SAB 104, revenue is recognized when (i) there is persuasive evidence that an arrangement exists, (ii) delivery has occurred or service has been rendered, (iii) the price is fixed or determinable, and (iv) collection is reasonably assured.

3. **Significant accounting policies** - continued

Foreign currency translation
The Company's functional currency is the Canadian dollar and reporting currency is the U.S. dollar. All transactions initiated in other currencies are translated into the reporting currency in accordance with ASC 830, "Foreign Currency Matters" as follows:

i) Assets and liabilities at the rate of exchange in effect at the balance sheet date; and
ii) Revenue and expense items at rate of exchange at the dates on which those elements are recognized.

Gains and losses on translation are included in other comprehensive income (loss) in stockholders' deficiency for the period.

Fair value
The carrying value of cash and cash equivalents, accounts receivable, accounts payable and due to related parties approximate their fair values because of the short-term maturity of these financial instruments.

Interest rate risk
The company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounting receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and accounts receivable is remote.

Currency risk
The Company's operating expenses are primarily incurred in Canadian dollars, and fluctuation of the Canadian dollar in relation to the United States dollar will have an impact upon the profitability of the Company and may also have an effect of the value of the Company's. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk. At April 30, 2017, 1 United States dollar was equal to 1.3665 Canadian dollars.

Basic and diluted net income (loss) per share
The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share". ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As at April 30, 2017 there were 2,000,000 and as at April 30, 2016, 200,000 outstanding stock options and warrants totaling 2,200,000 common shares (Notes 9 and 10).

Research and development
The Company recognizes research and development costs in accordance with ASC 730, "Research and Development", which requires the Company to expense research and development costs as they are incurred.

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

3. **Significant accounting policies** - continued

Income taxes
Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with ASC 740, “Income Taxes”, which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Comprehensive loss
ASC 220, “Comprehensive Income”, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at April 30, 2017, the Company has items that represent a comprehensive income (loss) and, therefore, has included a schedule of comprehensive income (loss) in the financial statements.

Use of estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Recently enacted accounting standards
Our company does not expect the adoption of any recent accounting pronouncements to have a material impact on its financial statements.

4. **Short-term investment**

On August 18, 2015 the Company invested $ 600,000 CAD ($ 459,000 USD) in a One-Year Cashable Guaranteed Investment Certificate (“GIC”) term deposit. The investment had a one year term that matured on August 18, 2016 and bears interest at a rate of 0.672% per annum.

On March 14, 2016 the Company withdrew $ 200,000 CAD ($ 150,000 USD) from the GIC and received interest of $ 770 CAD ($ 576 USD). The remaining $ 400,000 CAD ($ 307,000 USD) continued to earn interest at a rate of 0.672% per annum until its maturity on August 18, 2016. The Company has recognized interest of $ 802 CAD ($ 615 USD) to April 30, 2017. The Company no longer has any short-term investments as at April 30, 2017.

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

5. Inventory

Inventory consists of needle free injection products that are held for resale. Inventory is stated at the lower of cost or market with cost determined under the weighted average cost method. As of April 30, 2017 and April 30, 2016 inventory consisted of the following:

	April 30, 2017	April 30, 2016
	$	$
Raw material	-	-
Work-in-progress	-	-
Finished goods	30,283	3,064
Reserve for obsolescence	-	-
	30,283	3,064

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured, and have settlement dates within one year.

7. Due to related parties and related party transactions

During the year-ended April 30, 2017, the Company received $ 98,906 in additional cash loans from related parties of the Company and made repayments to related parties of $ 188,733. Total related party notes payable as of April 30, 2017 were $ 851,787. $ 658,617 ($ 900,000 CAD) of this balance is interest bearing at 5% per year on the principle balance, unsecured and has no fixed terms of repayment. As of May 1, 2016, the excess over $ 900,000 CAD is a non-interest bearing balance, unsecured with no fixed terms of repayment. During the year-ended April 30, 2017, the Company recorded interest expense of $ 34,240 with regard to the outstanding related party loans.

8. Capital stock

Authorized
The total authorized capital is 300,000,000 common shares with a par value of $ 0.001 per common share.

During the year-ended April 30, 2017, the Company issued 4,500,000 common shares in exchange for consulting services provided at an estimated fair value of $ 267,000, and cash consideration of $25,000.

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

9. **Warrants**

During the year-ended April 30, 2017, the Company granted 2,000,000 warrants for services. The fair value of the stock warrants granted was estimated at $ 119,649 on the date granted using the Black-Scholes pricing model, with the following assumptions used for the valuation: exercise price of $ 0.001 per share, average risk-free interest rate of 0.573%, expected dividend yield of zero, expected lives of three years and an average expected volatility of 247.04%. As at April 30, 2017, $nil remained as a prepaid expense.

A summary of the status of the Company's warrants as of April 30, 2017 is presented below:

	Number of shares
Warrants as at April 30, 2015	-
Warrants granted	-
Exercised, forfeited or expired	-
Warrants as at April 30, 2016	-
Warrants granted	2,000,000
Exercised, forfeited or expired	-
Outstanding at April 30, 2017	2,000,000
Exercisable at April 30, 2017	2,000,000

The following table summarizes information about the warrants as of April 30, 2017:

	Warrants outstanding			Warrants exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.001	2,000,000	2.59	$ 0.001	2,000,000	$ 0.001

10. **Stock options**

During the fiscal year ended April 30, 2013, the Company granted 200,000 stock options for services. The fair value of the stock options granted were estimated on the date granted using the Black-Scholes pricing model, with the following assumptions used for the valuation: exercise price of $ 0.80 per share, average risk-free interest rate of 0.79%, expected dividend yield of zero, expected lives of five years and an average expected volatility of 2.99%. During the years-ended April 30, 2017 and 2016, the Company recognized expense of $ Nil and $ Nil related to options that vested, respectively.

Eternity Healthcare Inc.

Notes to the Consolidated Financial Statements
April 30, 2017 and 2016
(Expressed in U.S. Dollars)

10. **Stock options** - continued

A summary of the status of the Company's stock options as of April 30, 2017 is presented below:

	Number of shares
Balance of stock options as at April 30, 2015	200,000
Options granted	-
Balance of stock options as at April 30, 2016	200,000
Options granted	-
Exercised, forfeited or expired	-
Outstanding at April 30, 2017	200,000
Exercisable at April 30, 2017	200,000

The following table summarizes information about the stock options as of April 30, 2017:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.80	200,000	0.69	$ 0.80	200,000	$ 0.80

The following table summarizes information about the stock options as of April 30, 2016:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.80	200,000	1.72	$ 0.80	200,000	$ 0.80

11. **Subsequent events**

In accordance with ASC 855, the Company's management has evaluated the subsequent events through the date the financial statements were issued and has found no subsequent events to report.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There were no disagreements with our accountants related to accounting principles or practices, financial statement disclosure, internal controls or auditing scope or procedure during the two fiscal years and subsequent interim periods.

Item 9A. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer (our principal executive officer, principal financial officer and principal accounting officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, our chief executive officer and chief financial officer (our principal executive officer, principal financial officer and principal accounting officer) concluded that, as of the end of such period, our disclosure controls and procedures were not effective to ensure that information that is required to be disclosed by us in the reports we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our chief executive officer and chief financial officer (our principal executive officer, principal financial officer and principal accounting officer), as appropriate, to allow timely decisions regarding required disclosure. The reasons for this finding were the weaknesses in our internal control over financial reporting enumerated below.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our chief executive officer and chief financial officer (our principal executive officer, principal financial officer and principal accounting officer) conducted an evaluation of the effectiveness of our internal control over financial reporting as of April 30, 2017 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of April 30, 2017, our company determined that there were control deficiencies that constituted material weaknesses, as described below:

- There is a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles in the US ("GAAP") and the financial reporting requirements of the Securities and Exchange Commission;
- There are insufficient written policies and procedures to ensure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements; and
- There is a lack of segregation of duties, in that we only had one person performing all accounting-related duties.

Notwithstanding the existence of these material weaknesses in our internal control over financial reporting, our management believes that the consolidated financial statements included in its reports fairly present in all material respects our company's financial condition, results of operations and cash flows for the periods presented.

Our company will continue its assessment on a quarterly basis and as soon as we start operations we plan to hire personnel and resources to address these material weaknesses. We believe these issues can be solved with hiring in-house accounting support and plan to do so as soon as we have funds available for this. There has been no change in its internal control over financial reporting that occurred during our company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our company's internal control over financial reporting.

Changes in Internal Controls

During the period ended April 30, 2017, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

All directors of our company hold office until the next annual meeting of the security holders, until they resign or their successors have been elected and qualified. The officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office. Our directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name	Position Held with the Company	Age	Date First Elected or Appointed
Hassan Salari	President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director	63	March 16, 2010
Bin Huang	Director	59	January 15, 2013 Resigned April 27, 2017
Dominique F. Borrelly	Director	57	January 18, 2013 Resigned April 27, 2017

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Hassan Salari – President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director

Hassan Salari has acted as a director of our company since March 16, 2010. He was subsequently appointed as president and chief executive officer on July 26, 2012 and as chief financial officer, treasurer and secretary on January 15, 2013. Hassan Salari is an entrepreneur and scientist. Dr. Salari has over 30 years' experience in the biotechnology field, specializing in highly sophisticated research and drug development programs and business development.

Dr. Salari was a director of Pacgen Biopharmaceuticals Inc., a public company with its shares listed on the TSX Venture Exchange. From 1998 to 2007, Dr. Salari was chief executive officer and president of Chemokine Therapeutics Corp., a company established as a focused biotechnology company to develop chemokine-based therapeutic products for human diseases. Chemokine was a public company listed on OTC Bulletin Board and the TSX. From 1992 to 1998, Dr. Salari was a chief executive officer and president of Inflazyme Pharmaceuticals Ltd., a company founded by Dr. Salari. Dr. Salari maintained the responsibility of managing the company's business affairs as well as its drug discovery and development programs (focused on allergies and asthma). While there, he negotiated and closed several licensing deals with biotechnology and pharmaceutical companies.

We appointed Dr. Salari as president, chief executive officer, chief financial officer, treasurer, secretary and as a member of our company's board of directors because of his experience with biotechnology and pharmaceutical companies.

Bin Huang – Director

Bin Huang was appointed as a director of our company on January 15, 2013. Bin Huang is a seasoned life-sciences executive with broad experiences in general management, business development, financing and corporate governance in Canada and Asia.

From 2007 to December 2012, Mrs. Huang acted as president and chief executive officer of WEX Pharmaceuticals Inc. WEX is a subsidiary of CK Life Sciences Int'l., (Holdings) Inc. ("CKLS"), listed on The Stock Exchange of Hong Kong Limited (stock code: 0775). Mrs. Huang assisted WEX with completing a Canadian phase 3 trial of tetrodotoxin for cancer pain, conducted a US phase 2 trial for chemotherapy-induced neuropathic pain, and completed a $35M financing in 2010. Mrs. Huang left WEX to join our company.

Mrs. Huang earned a Bachelors' of Science Degree in Genetics from Wuhan University, China in 1978, a PhD in Cell Biology from University of East Anglia, England in 1983 and a Masters of Business Administration Degree in 1994.

We appointed Bin Huang as a member of our company's board of directors because of her ability to raise capital and her knowledge of the pharmaceutical industry.

Mrs. Huang resigned from the board effective April 27, 2017. Mrs. Huang's resignation was not the result of any disagreements with our company regarding our operation, polices, practices or otherwise.

Dominique F. Borrelly – Director

Dominique F. Borrelly was appointed as a director of our company on January 18, 2013. Mr. Borrelly brought over 25 years of experience in sales and marketing and corporate/business development in the pharmaceutical (at Ciba-Geigy/Novartis & Sanofi-Aventis) and biotech sectors. Since 2000, he has been the president of Camargue Consulting, in Vancouver, British Columbia, Canada, wherein he specializes in assisting start-up companies - from development, evaluation and in-licensing of new technologies, through initiation of strategic alliances with multi-national corporate partners, to leading sales and marketing teams on commercial stage products.

In 2009, he was a healthcare network relationship specialist with Sanofi-Aventis Canada, Inc. in Vancouver, British Columbia, Canada, wherein he developed and managed strategic partnerships with integrated healthcare networks, teaching hospitals and regional health authorities in British Columbia.

From 2010 to 2012, Mr. Borrelly was a manager of the business development and acquisition division at Sanofi-Aventis Canada, Inc. in Montreal, Quebec, Canada, wherein he maintained the business development and acquisition activities in healthcare services/e-health solutions, oncology and diabetes (therapeutics and diagnostics) and medical devices.

Mr. Borrelly resigned from the board effective April 27, 2017. Mr. Borelly's resignation was not the result of any disagreements with our company regarding our operation, polices, practices or otherwise.

Family Relationships

There are no family relationships between any of the directors and officers.

Conflicts of Interest

Our directors are not obligated to commit their full time and attention to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our operations and those of other businesses. In the course of their other business activities, they may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities that are engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to the corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

We have adopted a code of ethics that obligates our directors, officers and employees to disclose potential conflicts of interest and prohibits those persons from engaging in such transactions without our consent.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);

2. had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

4. been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

6. been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who own more than 10% of our common stock to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

Based solely on our review of the copies of such forms received by our company, or written representations from certain reporting persons that no Form 5s were required for those persons, we believe that, during the fiscal year ended April 30, 2017, all filing requirements applicable to our officers, directors and greater than 10% beneficial owners as well as our officers, directors and greater than 10% beneficial owners of our subsidiaries were complied with.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to, among other persons, members of our board of directors, our company's officers including our president, chief executive officer and chief financial officer, employees, consultants and advisors. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;

3. compliance with applicable governmental laws, rules and regulations;

4. the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and

5. accountability for adherence to the Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics requires, among other things, that all of our company's senior officers commit to timely, accurate and consistent disclosure of information; that they maintain confidential information; and that they act with honesty and integrity.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly senior officers, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal and state securities laws. Any senior officer who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to our company. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Business Conduct and Ethics by another.

Our Code of Business Conduct and Ethics was filed with the Securities and Exchange Commission as Exhibit 14.1 to our Annual Report on Form 10-K for our year ended April 30, 2013. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to: Eternity Healthcare Inc., 8755 Ash Street, Suite 1, Vancouver, BC V6P 6T3.

Board and Committee Meetings

All proceedings of our board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the state of Nevada and the bylaws of our company, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

The sole director of our company acts as the audit committee.

Our company currently does not have nominating, compensation committees or committees performing similar functions nor does our company have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our directors.

Our company does not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. The directors believe that, given the early stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our company does not currently have any specific or minimum criteria for the election of nominees to the board of directors and we do not have any specific process or procedure for evaluating such nominees. Our directors assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request addressed to our president, at the address appearing on the first page of this annual report.

Audit Committee and Audit Committee Financial Expert

Our board of directors has determined that none of the members of our audit committee qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

We believe that the members of our board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

Item 11. Executive Compensation

The particulars of the compensation paid to the following persons:

(a) our principal executive officer;

(b) each of our two most highly compensated executive officers who were serving as executive officers at the end of the years ended April 30, 2017 and 2016; and

(c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the years ended April 30, 2016 and 2015, who we will collectively refer to as the named executive officers of our company, are set out in the following summary compensation table, except that no disclosure is provided for any named executive officer, other than our principal executive officers, whose total compensation did not exceed $100,000 for the respective fiscal year:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
***Hassan Salari*[(1)]** *President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and Director*	2017	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2016	73,000	Nil	Nil	Nil	Nil	Nil	Nil	73,000

(1) Dr. Hassan Salari was appointed as a director of our company on March 16, 2010 and as president and chief executive officer on July 26, 2012 and as chief financial officer, treasurer and secretary on January 15, 2013.

Other than as set out below, there are no arrangements or plans in which we pro7vide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our board of directors.

Stock Option Plan

On January 15, 2013, our directors approved the adoption of the 2013 Stock Option Plan which permits our company to issue up to 6,300,000 shares of our common stock to directors, officers, employees and consultants of our company upon the exercise of stock options granted under the 2013 Stock Option Plan.

Grants of Plan-Based Awards

During our fiscal year ended April 30, 2017 there were no grants of plan based awards to our named officers or directors.

Outstanding Equity Awards at Fiscal Year End

The particulars of unexercised options, stock that have not vested and equity incentive plan awards for our named executive officers are set out in the following table:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Stock Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Bin Huang	100,000	Nil	-	0.80	January 15, 2018	-	-	-	-
Dominique F. Borrelly	100,000	Nil	-	0.80	January 15, 2018	-	-	-	-

Option Exercises and Stock Vested

During our fiscal year ended April 30, 2017 there were no options exercised by our named officers.

Compensation of Directors

We do not have any agreements for compensating our directors for their services in their capacity as directors, although such directors are expected in the future to receive stock options to purchase shares of our common stock as awarded by our board of directors.

The following table sets forth a summary of the compensation paid to our non-employee directors in 2017:

DIRECTOR COMPENSATION

Name	**Fees Earned or Paid in Cash ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($)**	**All Other Compensa-tion ($)**	**Total ($)**
Bin Huang [(1)]	-	-	-	-	-	-	-
Dominique F. Borrelly [(2)]	-	-	-	-	-	-	-

(1) Bin Huang was appointed as a director of our company on January 15, 2013 until April 27, 2017 when she resigned from the board.

(2) Dominique F. Borrelly was appointed as a director of our company on January 18, 2013 until April 27, 2017 when he resigned from the board.

We have determined that Bin Huang and Dominique F. Borrelly were independent directors for the period April 30, 2016 to April 27, 2017, as that term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the *Securities Exchange Act of 1934*, as amended, and as defined by Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

Indebtedness of Directors, Senior Officers, Executive Officers and Other Management

None of our directors or executive officers or any associate or affiliate of our company during the last two fiscal years, is or has been indebted to our company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of August 10, 2017, certain information with respect to the beneficial ownership of our common shares by each shareholder known by us to be the beneficial owner of more than 5% of our common shares, as well as by each of our current directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership [1]	Percentage of Class
Hassan Salari 1517 West 58 Avenue Vancouver BC V6P 6T3	34,381,518 Common	48.47%
Directors and Executive Officers as a Group	**34,381,518 Common**	48.47%
Francine Salari 1517 West 58 Avenue Vancouver BC V6P 6T3	18,364,255 Common	25.89%

* Less than 1%.

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on August 10, 2017. As of August 10, 2017, there were 70,929,868 shares of our company's common stock issued and outstanding.

Changes in Control

We are unaware of any contract or other arrangement or provisions of our Articles or Bylaws the operation of which may at a subsequent date result in a change of control of our company. There are not any provisions in our Articles or Bylaws, the operation of which would delay, defer, or prevent a change in control of our company.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the year ended April 30, 2017, in which the amount involved in the transaction exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at the year-end for the last three completed fiscal years.

As at April 30, 2017, $851,787 is payable to a related party of our company related to operating expenses paid on behalf of our company (April 30, 2016 –$977,887). This balance bears non-compounded interest at a rate of 5% per annum, is unsecured and has no fixed terms of repayment.

Director Independence

We currently act with one director, Hassan Salari. Bin Huang and Dominique F. Borrelly who were directors of our company, but resigned from the board on April 27, 2017, were two directors of the company that qualified as “independent directors” as defined by Nasdaq Marketplace Rule 4200(a)(15).

We do not have a standing audit, compensation or nominating committee, but our entire board of directors acts in such capacities. We believe that our board of directors is capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. The board of directors of our company does not believe that it is necessary to have a standing audit, compensation or nominating committee because we believe that the functions of such committees can be adequately performed by the board of directors. Additionally, we believe that retaining an independent director who would qualify as an “audit committee financial expert” would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development.

Item 14. Principal Accounting Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended April 30, 2017 and for the fiscal year ended April 30, 2016 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	April 30, 2017 $	**April 30, 2016 $**
Audit Fees	16,000	12,500
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	16,000	12,500

Our board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors’ independence.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements

(1) Financial statements for our company are listed in the index under Item 8 of this document.

(2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

Exhibit Number	Document Description
(2)	**Plan of acquisition, reorganization, arrangement, liquidation or succession**
2.1	Share Exchange Agreement with Eternity Healthcare Inc., dated December 13, 2010 (incorporated by reference to our Current Report on Form 8-K filed on December 17, 2010)
(3)	**(i) Articles of Incorporation; (ii) By-laws**
3.1	Articles of Incorporation (incorporated by reference to our C Registration Statement on Form S-1 filed on June 25, 2008)
3.2	By-laws (incorporated by reference to our Registration Statement on Form S-1 filed on June 25, 2008)
3.3	Certificate of Amendment filed with the Nevada Secretary of State on November 1, 2010 (incorporated by reference to our Current Report on Form 8-K filed on November 16, 2010)
(10)	**Material Contracts**
10.1	Revised Distribution Agreement dated June 25, 2012 between our company, our subsidiary, MK Global Co. and MIKA Medical Co. (incorporated by reference to our Annual Report on Form 10-K filed on July 19, 2012)
10.2	2013 Stock Option Plan (incorporated by reference to our Annual Report on Form 10-K filed on August 8, 2013)
10.3	Rental Agreement dated June 22, 2013 between our company and Kinexus Bioinformatic (incorporated by reference to our Annual Report on Form 10-K filed on August 8, 2013)
(14)	**Code of Ethics**
14.1	Code of Business Conduct and Ethics (incorporated by reference to our Annual Report on Form 10-K filed on August 8, 2013)
(31)	**Rule 13a-14(a)/15d-14(a) Certifications**
31.1*	Section 302 Certifications under Sarbanes-Oxley Act of 2002
(32)	**Section 1350 Certifications**
32.1*	Section 906 Certifications under Sarbanes-Oxley Act of 2002
101*	**Interactive Data Files**
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

* *filed herewith*

SIGNATURES

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

ETERNITY HEALTHCARE INC.
(Registrant)

Dated: August 15, 2017

/s/ Hassan Salari

Hassan Salari
President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

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

Dated: August 15, 2017

/s/ Hassan Salari

Hassan Salari
President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)