ASSURE HOLDINGS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States Dollars, except where noted)

YEARS ENDED DECEMBER 31, 2017 AND 2016 (restated)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Assure Holdings Corp.

We have audited the accompanying consolidated financial statements of Assure Holdings Corp., which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of income / (loss), shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Assure Holdings Corp. as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Newport Beach, California
August 7, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Assure Holdings, Inc.
Denver, Colorado

We have audited the accompanying consolidated balance sheet of Assure Holdings, Inc. (the "Company") as of December 31, 2016, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year then ended. These consolidated 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 audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audit 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 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 audit provides 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 Assure Holdings, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited the adjustments described in Note 17 that were applied to restate the 2016 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

As described in Note 2 to the consolidated financial statements, the basis of preparation used in these consolidated financial statements is prepared to satisfy requirements of the TSX Venture Exchange for the preparation of target company financial statements of an entity that is the subject of a Qualifying Transaction.

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Denver, Colorado
August 7, 2018

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ASSURE HOLDINGS CORP.
Consolidated Statements of Financial Position

	December 31, 2017	December 31, 2016 (restated)
ASSETS		
Current assets		
Cash	$ 215,326	$ 88,883
Accounts receivable, net (*Note 3 (a)*)	16,624,006	5,150,039
Deferred share issue costs	-	123,757
Prepaid expenses	130,060	-
Due from related parties (*Note 10*)	2,323,704	23,450
Total current assets	19,293,096	5,386,129
Equity method investments (*Note 4*)	2,259,663	1,127,229
Equipment and furniture, net (*Note 7*)	499,123	265,657
Total assets	$ 22,051,882	$ 6,779,015
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (*Note 6*)	$ 2,504,519	$ 890,585
Current portion of finance leases (*Note 8*)	181,787	44,370
Current income taxes payable (*Note 12*)	22,475	167,660
Note payable (*Note 5*)	-	184,658
Due to related parties (*Note 10*)	67,587	164,039
Total current liabilities	2,776,368	1,451,312
Finance leases, net of current portion (*Note 8*)	291,063	131,396
Provision for fair value of stock options (*Note 11 (c)*)	325,515	-
Provision for performance share issuance (*Note 16*)	16,011,500	-
Provision for fair value of broker warrants (*Note 11 (d)*)	128,062	-
Deferred tax liability, net (*Note 12*)	92,276	1,767,934
Total liabilities	19,624,784	3,350,642
SHAREHOLDERS' EQUITY		
Capital stock (*Note 11*)	35,505	675,556
Additional paid-in capital (*Note 11*)	6,079,115	324,547
Retained earnings/(accumulated deficit)	(3,687,522)	2,428,270
Total shareholders' equity	2,427,098	3,428,373
Total liabilities and shareholders' equity	$ 22,051,882	$ 6,779,015

/s/ John Farlinger
Board Signature

/s/ Martin Burian
Board Signature

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

ASSURE HOLDINGS CORP.
Consolidated Statements of Income/(Loss)

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	Year Ended December 31, 2017	Year Ended December 31, 2016 (restated)
Revenue		
Out-of-Network fees	$ 15,394,640	$ 6,149,693
Contract fees	401,180	201,443
Total revenue	15,795,820	6,351,136
Cost of revenues	(2,618,715)	(1,028,350)
Gross margin	13,177,105	5,322,786
Operating expenses		
General and administrative	3,092,222	1,014,254
Provision for performance share compensation	16,011,500	-
Depreciation and amortization	205,836	66,493
Sales and marketing	398,731	163,138
Total operating expenses	19,708,289	1,243,885
Income/(loss) from operations	(6,531,184)	4,078,901
Other income/(expenses)		
Earnings from equity method investments	2,266,035	1,464,364
Provision for stock option fair value	(261,866)	-
Provision for broker warrant fair value	(1,195,080)	-
Deemed share costs related to RTO	(1,551,126)	-
Interest, net	(48,780)	(17,544)
Total other income/(expenses)	(790,817)	1,446,820
Income/(loss) before income taxes	(7,322,001)	5,525,721
Income tax benefit/(expense)	1,820,843	(1,935,594)
Net income/(loss)	$ (5,501,158)	$ 3,590,127
Basic income/(loss) per common share	$ (0.17)	$ 0.16
Fully diluted income/(loss) per common share	$ (0.17)	$ 0.14

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

ASSURE HOLDINGS CORP.
Consolidated Statements of Shareholders' Equity

	Number of shares issued and outstanding	Amount	Additional Paid-in capital	Retained Earnings/ (Accumulated Deficit)	Total
Balances, December 31, 2015 (unaudited)	22,961,037	$ 555,556	$ -	$ 152,153	$ 707,709
Shares issued on private placement	1,038,963	120,000	-	-	120,000
Share compensation	-	-	324,547	-	324,547
Shareholder distributions	-	-	-	(1,314,010)	(1,314,010)
Net income (restated)	-	-	-	3,590,127	3,590,127
Balances, December 31, 2016 (restated)	24,000,000	675,556	324,547	2,428,270	3,428,373
Pre-RTO distributions	-	-	-	(614,634)	(614,634)
Shares issued on private placement, net	6,392,060	6,392	1,852,666	-	1,859,058
Share exchange Montreux Capital Corp	4,536,335	(647,020)	2,469,389	-	1,822,369
Exercise of warrants	576,710	577	160,777	-	161,354
Recalssification warrant fair value at exercise to equity	-	-	1,197,588	-	1,197,588
Share based compensation	-	-	74,148	-	74,148
Net loss	-	-	-	(5,501,158)	(5,501,158)
Balances, December 31, 2017	**35,505,105**	**$ 35,505**	**$ 6,079,115**	**$ (3,687,522)**	**$ 2,427,098**

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

ASSURE HOLDINGS CORP.
Consolidated Statements of Cash Flows

	Year ended December 31, 2017	Year ended December 31, 2016 (restated)
Cash flows from operations		
Net income/(loss)	$ (5,501,158)	$ 3,590,127
Adjustments to reconcile to net cash provided by (used in) operating activities		
Earnings from equity method investments	(2,266,035)	(1,464,364)
Share based compensation	74,148	324,547
Depreciation and amortization	205,836	66,493
Provision for broker warrant fair value	1,195,080	-
Provision for stock option fair value	261,866	-
Provision for performance share compensation	16,011,500	-
Deemed share costs related to RTO	1,551,126	
Deferred income taxes, net	(1,675,658)	1,767,934
Change in operating assets and liabilities		
Accounts receivable	(11,473,965)	(5,150,040)
Prepaid expenses	(130,060)	-
Accounts payable and accrued liabilities	1,613,933	890,585
Due from related party	(2,300,254)	(23,450)
Current income taxes payable	(145,185)	167,660
Due to related parties	(96,452)	164,039
Cash provided by (used in) operating activities	(2,675,278)	333,531
Cash flows from investing activities		
Purchase of equipment and furniture	(39,532)	(113,327)
Distributions received from equity method investments	1,133,601	534,844
Cash provided by investing activities	1,094,069	421,517
Financing activities		
Pre-RTO contributions	62,135	-
Pre-RTO distributions	(676,769)	(1,194,009)
Proceeds from issuance of shares, net	2,263,618	-
Proceeds from exercise of warrants	161,354	-
Deferred share issue costs	-	(123,757)
Note receivable from related party	-	510,000
Note payable	-	184,658
Principal payments of finance leases	(102,686)	(43,057)
Cash provided by (used in) financing activities	1,707,652	(666,165)
Increase in cash	126,443	88,883
Cash, beginning of period	88,883	-
Cash, end of period	$ 215,326	$ 88,883
Supplemental cash flow information		
Cash paid for interest	$ 48,780	$ 17,544
Supplemental non-cash flow information		
Purchase of equipment with finance leases	399,770	175,766
Deferred shares issuance costs	123,757	-
Deemed share costs related to RTO	1,551,126	-
Recalssification warrant fair value at exercise to equity	1,197,588	-

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

Notes to Consolidated Financial Statements

1. Nature of Business

Assure Holdings, Corp. (the "Company"), was incorporated on November 7, 2016, under the laws of the state of Colorado and, through its wholly-owned subsidiaries Assure Neuromonitoring, LLC and Assure Networks, LLC, its principal business activities include the delivery of technical and professional surgical support services in connection with inter operative neuromonitoring procedures ("IONM"). Together, these two entities provide comprehensive risk mitigation services to make underlying surgeries safer.

Assure Neuromonitoring, LLC, formed on August 25, 2015, is the Company's technical IONM entity. This entity employs a technical staff that is deployed in operating rooms during surgeries. These employees utilize an industry standard, company-owned machine to read EEG and EMG signals during the underlying procedure. When a potential problem is spotted, the Company's technical employee alerts the surgeon to pre-emptively avoid damaging sensitive nerves.

Assure Networks, LLC, formed on November 7, 2016, is the Company's professional entity. This entity holds varying interests in numerous Provider Network Entities ("PNEs"), which are professional IONM entities that contract with offsite neurologists or readers to perform corresponding real-time evaluation of the same information being analyzed by the onsite technical employee. See Note 4 for further discussion.

Upon the completion of the qualifying transaction with Montreux Capital Corp. ("Montreux"), the surviving issuer was renamed Assure Holdings Corp. (the "Company"). The Company was re-domiciled to Nevada May 16, 2017.

2. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved by the Board of Directors on August 7, 2018.

(b) Basis of presentation

The consolidated financial statements reflect the assets, liabilities, operations and cash flows of the Company on a continuity of interest basis and are comprised of the consolidated statements of financial position, income, shareholders' equity and cash flows.

These consolidated financial statements have been prepared on a historical cost basis. In addition, these statements have been prepared using the accrual basis of accounting. These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for the Company's reporting date.

In some instances, amounts related to 2016 presentation have been reclassified to conform to the 2017 presentation. These reclasses did not have an impact on 2016 reported net income.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Assure Neuromonitoring, LLC and Assure Networks, LLC. All inter-company transactions and accounts have been eliminated in consolidation.

For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company's investment is accounted for using the equity method of accounting.

(d) Functional currency

The consolidated financial statements are presented in United States dollars, which is also the functional currency of each entity within the consolidated group.

(e) Reverse takeover

On July 20, 2016, the Company (or "Assure") entered into an Agreement with Montreux Capital Corp. ("Montreux") (TSXV: MRX.H), a "Capital Pool Company" under the policies of the TSX Venture Exchange (the "Exchange"). Subject to the terms and conditions of the Agreement and the satisfaction of certain conditions precedent, including due diligence and receipt of all necessary regulatory approvals, including Exchange approval, this Agreement fulfilled the requirements for Montreux's Qualifying Transaction. On March 26, 2017, the Exchange approved the qualifying transaction and issued an exchange bulletin whereby the Company could commence trading on May 29, 2017 under the name "Assure Holdings Corp.". The exchange further advised that the resulting issuer ticker symbol would be converted to "IOM."

Following completion of the transaction, Montreux Capital Corp. acquired all the outstanding common shares of Assure Holdings, Inc. in exchange for 4,136,335 post-consolidated common shares of Montreux and changed its name to "Assure Holdings Corp." Finder fees of 400,000 common shares were also issued as part of the transaction. The former shareholders of Assure Holdings, Inc. held approximately 68.5% of the common shares of the resulting Tier 2 Issuer. For reporting purposes, this reverse takeover ("RTO") has been accounted for as a reverse takeover with Assure Holdings, Inc. being identified as the accounting acquirer. Additionally, 173,110 broker warrants issued by Montreux Capital Corp. were converted to warrants issued by Assure Holdings Corp.

At the time of the transaction, Montreux's assets consisted primarily of cash and accounts receivable, and it did not have any processes capable of generating outputs; therefore, Montreux did not meet the definition of a business. Accordingly, as Montreux did not qualify as a business in accordance with IFRS 3 Business Combinations, the transaction did not constitute a business combination; however, by analogy it has been accounted for as an RTO. Therefore, Assure, the legal subsidiary, has been treated as the accounting parent company, and Montreux, the legal parent, has been treated as the accounting subsidiary.

Application of reverse takeover accounting will result in the following:

(i) The consolidated financial statements of Company are issued under the name of Assure Holdings Corp. but are considered a continuation of the financial statements of Company.

(ii) As Assure is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements of the resulting issuer at their historical carrying values.

(iii) Control of the net assets and operations of Montreux Capital Corp. will be deemed to be acquired by Company.

The following summarizes the reverse takeover and the assets acquired and the liabilities assumed on the transaction date:

Net tangible assets (estimated fair value) acquired:	
Cash	$ 173,334
Advances to Assure	184,658
Additional paid-in capital	(33,964)
	$ 324,028
Consideration paid:	
Deemed shares issued	$ 1,551,126
Total transaction costs related to the RTO	$ 1,227,098

3. Summary of Significant Accounting Policies

(a) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. These consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant assumptions, judgments, and estimates that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Out-of-Network fees - Net patient service fee revenue and receivables

Net patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third-party payors when collections are reasonably assured and can be estimated. A substantial portion of our services are rendered on an out-of-network basis and billed to third-party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company estimates the net realizable value from the gross charges submitted to third-party payors and recognizes the net patient service revenue. Estimates for net patient service revenue are based on evaluating the payor mix, historical settlements and payment data for payor types, and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods. Net patient service revenue is also adjusted in the period when an accounts receivable balance for IONM service is written-off once collection efforts have been exhausted and the total collection amount is below the accounts receivable balance for IONM services. The timing of additional net patient service revenue for collections exceeding the originally estimated amounts may not occur in the same reporting period as the write-off of collected amounts below the originally estimated amounts, once collection efforts have been exhausted, which may result in material adjustments to revenue in a given reporting period.

(ii) Contract revenue

The Company recognizes contract revenue from hospital and surgery center customers on a contractual basis. Revenue from services rendered is recorded after services are rendered. These contracted cases are billed on net 30-day terms and represent less than 5% of the Company's overall billings.

As of December 31, 2017, the accounts receivable balance of $16,624,006 is net of $116,795 allowance for doubtful accounts.

(b) Future changes in accounting standards not yet adopted

Certain pronouncements were issued by the International Accounting Standards Board (“IASB”) or the International Financial Reporting Interpretations Committee (“IFRIC “) that are mandatory for accounting periods on or after January 1, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following are not expected to be adopted prior to their effective dates.

IFRS 9 – Financial Instruments (Effective January 1, 2018)

IFRS 9 will replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking ‘expected loss’ impairment model. IFRS 9 also includes a revised approach to hedge accounting. Under

IFRS 9, the Company will have the option to designate equity securities as financial assets at fair value through other comprehensive income, where they will be recorded initially at fair value with changes in fair value recognized in other comprehensive income, which will not be subsequently transferred into profit or loss. The Company does not expect IFRS 9 to have a significant impact on the Company's financial statements.

IFRS 15 – Revenue from Contracts with Customers (Effective January 1, 2018)

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 supersedes: IAS 11 – Construction Contracts; IAS 18 – Revenue; IFRIC 13 – Customer Loyalty Programs; IFRIC 15 – Agreements for the Construction of Real Estate; IFRIC 18 – Transfers of Assets from Customers; and SIC 31 – Revenue – Barter Transactions involving Advertising Services. The introduction of IFRS 15 is not expected to have a significant impact on the Company's financial statements.

IFRS 16 – Leases (Effective January 1, 2019)

IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting for the lessee, introducing a single, on-balance sheet accounting model that is similar to finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to the current accounting practice. The introduction of IFRS 16 is not expected to have a significant impact on the Company's financial statements, as the leases currently held by the Company are either leases to explore for uranium resources, which are exempt from IFRS 16, or relate to office leases which are not material.

(c) Cash

All highly-liquid investments with an original maturity of three months or less are classified as cash.

(d) Furniture and equipment

Capital assets are stated at cost. Depreciation is calculated based upon the following useful life (in years):

	Useful Life
Medical equipment	2.5
Computer equipment	2
Furniture and fixtures	4

(e) Share based compensation

The Company accounts for stock options using the fair value method by applying the Black-Scholes model. The estimated fair value of all stock options granted is recorded in the consolidated statements of income/(loss) over their vesting periods except for amounts relating to agents' options on share issuances which are recorded as share issuance costs as outlined below.

(f) Share issuance costs

Costs attributable to the raising of capital are applied against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of shares to which the costs relate.

(g) Income taxes

The Company uses the liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a reverse takeover and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a reverse takeover and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

(h) Derivative Liabilities
Certain non-employee stock options and broker warrants are considered derivative liabilities, as the currency denomination of the exercise price is different from the functional currency of the Company. As a result, the fair value of the share purchase warrants is initially calculated on the issuance date and remeasured at each reporting period using the Black-Scholes Option Pricing model. Any change in the fair value of the warrant subsequent to the initial recognition is recorded in consolidated statements of income/(loss). Once such instruments are extinguished or no longer considered derivative liabilities, such amounts are reclassified as equity.

4. Equity Method Investments

Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Company's pro rata share of earnings or loss of the investee. The amount of the adjustment is included in the determination of net earnings (loss) and the investment account is also increased or decreased to reflect the Company's share of capital transactions. Profit distributions received or receivable from an investee reduce the carrying value of the investment.

Balances, December 31, 2015 (unaudited)	**$**	**197,709**
Share of earnings		1,464,364
Distributions		(534,844)
Balances, December 31, 2016 (restated)		**1,127,229**
Share of earnings		2,266,035
Distributions		(1,133,601)
Balances, December 31, 2017	**$**	**2,259,663**

5. Note Payable

During October 2016, the Company received an unsecured, advance of $184,658 USD ($250,000 CAD) from Montreux Capital Corp., which was settled on May 26, 2017 upon the completion of a reverse takeover transaction described in Note 2. The note accrued interest of 6% per annum.

6. Accounts Payable and Accrued Liabilities

The following table presents a summary of items comprising accounts payable and accrued liabilities as at December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016 (restated)
Trade payables	$ 632,204	$ 311,944
Accrued salaries and benefits	428,359	59,988
Accrued billing fees	1,443,955	518,653
Total accounts payable and accrued liabilities	$ 2,504,519	$ 890,585

7. Equipment and Furniture

Equipment and furniture, net consisted of the following as of December 31, 2017 and 2016:

	Medical equipment	Computer equipment	Furniture and fixtures	Total
Net book value, December 31, 2015 (unaudited)	$ -	$ -	$ -	$ -
Additions	314,002	10,187	7,961	332,150
Depreciation	(62,800)	(2,848)	(845)	(66,493)
Net book value, December 31, 2016	251,202	7,339	7,116	265,657
Additions	399,770	5,043	34,489	439,302
Depreciation	(196,453)	(4,896)	(4,487)	(205,836)
Net book value, December 31, 2017	$ 454,519	$ 7,486	$ 37,118	$ 499,123

Depreciation expense for the years ended December 31, 2017 and 2016 was $205,836 and $66,493, respectively.

Medical equipment with a cost of $611,613 was held under finance leases as of December 31, 2017. ($208,387 as of December 31, 2016). Finance leases had accumulated depreciation of $201,508 for the year ended December 31, 2017 ($41,677 for the year ended December 31, 2016).

8. Finance Lease

The Company holds various finance leases for medical equipment which contain bargain purchase of options at the end of the lease terms with interest rates of 12% per annum. The remaining minimum finance lease obligations, with terms in excess of one-year subsequent to December 31, 2017, are as follows:

	December 31, 2017
2018	$ 181,787
2019	183,830
2020	142,898
2021	62,408
Total minimum payments	570,923
Less: Amounts representing interest (12%)	(98,073)
Total finance leases	$ 472,850

9. Remuneration of Key Management Personnel

Key management includes members of the board, the Founder, Executive Chairman and Chief Executive Officer, the President and Corporate Secretary, and the Chief Financial Officer. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence, primarily consisting of cash payments and share compensation amounts (see Note 16 for discussion regarding performance share compensation), were as follows for the years ended December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Founder, Executive Chairman and Chief Executive Officer	$ 13,551,686	$ 1,730,457
President and Corporate Secretary	2,987,920	226,751
Chief Financial Officer	53,108	15,000
Independent Directors	17,221	-
	$ 16,592,713	$ 1,972,208

As of the filing date of these Consolidated Financial Statements, the Founder, Executive Chairman and Chief Executive Officer is no longer serving the company in that capacity. The Founder, Executive Chairman and Chief Executive Officer remains with the Company in a business development and sales leadership role. The President and Corporate Secretary resigned from the Company on March 21, 2018. The Chief Financial Officer on December 31, 2017 was performed by a part-time contractor. The position was replaced by a full time Chief Financial Officer on January 16, 2018.

10. Related Party Transactions

	December 31, 2017	December 31, 2016
Due from PNEs(a)	$ 398,633	$ 23,450
Due from management (b)	1,915,095	-
Other	9,976	-
Due from related parties	$ 2,323,704	$ 23,450
Due to PNEs (a)	$ 67,587	$ 164,039
Due to related parties	$ 67,587	$ 164,039

(a) Amount due from or to a "Provider Network Entity" or "PNE" is interest-free and subject to repayment within one year.

Compensation to family members of the Company's Founder and former Executive Chairman for business development services and patient advocate services rendered during the year ended December 31, 2017 and 2016 totaled $198,315 and $38,023, respectively. As of December 31, 2017, $nil (December 31, 2016: $10,637) is included in accounts payable and accrued liabilities.

The Company has a month-to-month lease agreement with one of the shareholders. Related party rent expense for the years ended December 31, 2017 and December 31, 2016 was $37,576 and $18,552, respectively.

(b) Amount due from management is related to personal expenses, distributions and compensation not authorized by an employment agreement or otherwise. The amounts due from the Company's Founder and former Executive Chairman and CEO, Preston Parsons and former President and Corporate Secretary, Matthew Willer, are deemed collectable and considered a current asset. Mr. Parsons has agreed in principle to repay amounts due and has agreed to sign a secured promissory note to the Company formalizing that agreement. Mr. Parsons will utilize his significant equity position in the Company as collateral for obtaining a personal loan to repay the Company. The remainder of his balance will be repaid utilizing his considerable equity in the Company. Upon lifting of the Management Cease Trade Order and after the expiration of any blackout periods on Management to trade stock in the Company, Mr. Parsons plans to execute a private sale of a portion of his shares to raise additional cash to extinguish his remaining liability to the Company. Mr. Willer, who is no longer affiliated with the Company in any capacity, has not formally agreed to repay the Company. The Company has made formal written demands on Mr. Willer and will take all reasonable and appropriate actions regarding its rights and remedies vis a vis Mr. Willer, including *inter alia* in respect of his separation from the Company and determining whether or not he is legally entitled to certain equity compensation.

11. Share Capital

(a) Authorized: 900,000,000 common shares, $0.001 par value

(b) Issued and outstanding – common shares

	Number of common shares		Amount		Additional Paid-in capital
Shares issued August 25, 2015 (i)	22,961,037	$	555,556	$	-
Balance, December 31, 2015 (unaudited)	22,961,037	$	555,556	$	-
Shares issued on private placement (ii)	1,038,963		120,000		-
Share compensation	-		-		324,547
Balances, December 31, 2016	24,000,000	$	675,556	$	324,547
Pre-RTO distributions	-		-		-
Shares issued on private placement (iii)	6,392,060		6,392		1,852,666
Share exchange Montreux Capital Corp (iv)	4,536,335		(647,020)		2,469,389
Exercise of warrants (iii)(iv)	576,710		577		160,777
Recalssification warrant fair value at exercise to equity	-		-		1,197,588
Share based compensation	-		-		74,148
Balances, December 31, 2017	**35,505,105**	**$**	**35,505**	**$**	**6,079,115**

(i) On August 25, 2015, Assure Neuromonitoring, LLC ("Assure") was formed as a limited liability company upon filing the Articles of Organization with the Colorado Secretary of State for total issued and outstanding units of 22,961,037 Class A Units.

(ii) During August 2016, Assure closed a non-brokered private placement of 1,038,963 Class A Units at $0.1155 per Unit for gross proceeds of $120,000. On November 7, 2016, and upon filing Articles of Incorporation with the Colorado Secretary of State, 24,000,000 Class A Units of Assure were exchanged for 24,000,000 common shares of Assure Holdings, Inc.

(iii) On March 2, 2017, the Company closed a brokered private placement and issued an aggregate of 6,392,060 subscription receipts (each a "Subscription Receipt" and collectively, the "Subscription Receipts") at a price of $0.50 CAD (the "Offering Price") per Subscription Receipt for gross proceeds of $3,196,030 CAD, or approximately $2,386,092 USD (the "Offering"). Each Subscription Receipt will entitle the holder thereof to receive one post-consolidated share of Montreux (following a three-for-one consolidation) upon closing of Montreux's acquisition of all of the outstanding shares of the Company. The Agent received a cash commission equal to 8% of the gross proceeds of the Offering, and 459,600 warrants of the Company equal to approximately 8% of the number of Subscription Receipts issued under the Offering (the "Broker Warrants"). The Broker Warrants will be exercisable at the Offering Price for a period of 24 months from the date of issuance thereof. During the year ended December 31, 2017, 403,600 broker warrants issued by Assure Capital Corp. were exercised at a price of $0.50 CAD per share.

(iv) On July 20, 2016, Assure entered into an Agreement with Montreux, subject to certain terms and conditions of the Agreement, whereby Montreux would acquire all the outstanding common shares of Assure Holdings, Inc. in exchange for 4,136,335 post-consolidated common shares of Montreux and to change its name to "Assure Holdings Corp." 400,000 shares were issued to an intermediary as a finder's fee in connection with the reverse takeover transaction between the Company and Montreux. During June 2017, 173,110 broker warrants issued by Montreux were exercised at a price of $0.05 CAD per share. See Note 2 for further discussion.

(c) Qualified Transaction

On May 26, 2017, the Company announced the closing of our qualifying transaction with Assure Holdings, Inc., a private Colorado corporation ("Assure Colorado"), and the commencement of trading of our common stock on the TSX-V. The Company engaged United States and Canadian legal counsel to advise us on the qualifying transaction and related transactions. The Company relied upon exemptions from the registration requirements of Section 5 of the Securities Act and Rule 415 thereunder, including Section 4(a)(2), Rule 506(b) and Rule 903 of Regulation S. The issuance of certain securities may not have been exempt from the registration requirements under federal or state securities laws and may have been subject to a private right of action for rescission or damages. The statute of limitation for rescission expired on May 26, 2018, one year from the date of the violation. While the Company believes that the likelihood of a claim is remote and has determined that for the purpose of our financial reporting this matter is not material, there can be no assurance that a liability will not arise in the future in connection with this matter.

(d) Stock options

Under the Company's stock option plan (the "Plan"), the Company may grant options to purchase common shares of the Company ("Common Shares") to its directors, officers, employees and consultants. The maximum number of our Common Shares that may be reserved for issuance under the Plan, is a variable number equal to 10% of the issued and outstanding Common Shares on a non-diluted basis at any one time. Options under the Plan are granted from time to time at the discretion of the Board, with vesting periods and other terms as determined by the Board.

During the year ended December 31, 2016, Assure Neuromonitoring, LLC's Board of Directors granted 3,000,000 shares of common stock with an exercise price of $0.05 USD, a 10-year expiration, and immediate vesting. On November 7, 2016, in conjunction with formation of the C Corporation of Assure Holdings, Inc., the stock options were cancelled and reissued with Assure Holdings, Inc. The terms were kept consistent and the reissuance resulted in compensation expense of $324,547 being recognized at December 31, 2016. On May 24, 2017, in conjunction with the qualifying transaction entered into with Assure Holdings Corp. (formerly Montreux Capital Corp.), the stock options were exchanged for stock options in the capital of Assure Holdings Corp. and as of that date are subject to the stock option plan of Assure Holdings Corp.

The weighted average exercise price of options outstanding and of options exercisable as of December 31, 2017 and 2016, is as follows:

	December 31, 2017		December 31, 2016	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding - Beginning of period	3,000,000	0.05	-	-
Granted	260,000	1.04	3,000,000	0.05
Outstanding - End of period	3,260,000	0.13	3,000,000	0.05
Exercisable - End of period	3,137,500	0.07	3,000,000	0.05

As of December 31, 2017, the Company had the following stock options outstanding:

Number of Options Outstanding		Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life	
3,000,000	$	0.05	November 7, 2026	3,000,000	8.86	
200,000	$	0.37	May 25, 2027	137,500	9.40	
60,000	$	2.96	October 25, 2027	-	9.82	
3,260,000	$	0.13		3,137,500	8.91	years

As of December 31, 2016, the Company had the following stock options outstanding:

Number of Options Outstanding		Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
3,000,000	$	0.05	November 7, 2026	3,000,000	9.85

The fair value of options granted to employees, directors and consultants was calculated using the Black-Scholes option pricing model. Changes to the assumptions could cause significant adjustments to valuation. The fair value of stock options granted to employees and directors is recorded as share based compensation expense in the consolidated statements of income/(loss) and credited to additional paid-in capital. Stock options granted to consultants that have a strike price that is different than the Company's functional currency are treated as a liability and are revalued at the end of each reporting period for the term of the vesting period. Any change in the fair value of the stock option subsequent to the initial recognition is recorded in consolidated statements of income/(loss).

The fair value of the stock option derivative liability as at December 31, 2017 was $325,515. Changes in the Company's stock option liability for the year ended December 31, 2017 is as follows:

Balance at December 31, 2016	-
Granted	63,649
Loss on revaluation	261,866
Balance at December 31, 2017	325,515

The fair value of the stock options granted for the year ended December 31, 2017 and 2016 was estimated at the issuance date using the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes Option Pricing model to value the stock options were as follows:

	At December 31, 2017	At grant date during the year ended December 31, 2017	December 31, 2016
Risk free rate of return	2%	2%	0%
Expected life	4.5-4.75 years	3-5 years	2.9 years
Expected volatility	99%	109-143%	138%
Expected dividend per share	nil	nil	nil

(e) Share purchase warrants

As at December 31, 2017, 56,000 share purchase warrants, each entitling the holder to purchase one common share at an exercise price of C$0.50 per share until May 24, 2019, were outstanding. The share purchase warrants were issued as part of the private placement discussed above. The following is a summary of share purchase warrant activity for the year ended December 31, 2017:

	Number	Exercise Price (CAD)	Expiry Date
Balance at December 31, 2016	-	$ -	
Assumed from Montreux share exchange	173,110	0.05	
Issued	459,600	0.50	May 2019
Exercised	(576,710)	0.39	
Balance at December 31, 2017	56,000	$ 0.50	

The share purchase warrants are considered a derivative liability, as the currency denomination of the exercise price is different from the functional currency of the Company. As a result, the fair value of the share purchase warrants is calculated on the issuance date using the Black-Scholes Option Pricing model. Any change in the fair value of the warrant subsequent to the initial recognition is recorded in Consolidated Statements of Income/(Loss). The fair value of the share purchase warrant liability as at December 31, 2017 was $128,062. Changes in the Company's share purchase warrant liability for the year ended December 31, 2017 is as follows:

Balance at December 31, 2016	-
Issuance of warrants	130,570
Assumpiton of Monreux warrants	45,000
Exercised warrants	(1,197,588)
Loss on revaluation	1,150,080
Balance at December 31, 2017	128,062

The fair value of the share purchase warrants granted for the year ended December 31, 2017 was estimated at the issuance date using the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes Option Pricing model to value the warrant liability were as follows:

	At December 31, 2017	**At issuance**
Risk free rate of return	1.75%	1.90%
Expected life	1.4 years	2 years
Expected volatility	81%	143%
Expected dividend per share	nil	nil
Exercise price	$0.50CAD	$0.50CAD
Stock price	$3.35CAD	$0.50CAD

(f) Earnings per share

The following table sets forth the computation of basic and fully diluted loss per common share for years ended December 31, 2017 and 2016:

		December 31, 2017		**December 31, 2016 (restated)**
Income attributable to common shareholders				
Basic	$	(5,501,158)	$	3,590,127
Weighted average common share outstanding		33,225,195		23,114,746
Basic earnings per common share	$	(0.17)	$	0.16
Income attributable to common shareholders				
Basic	$	(5,501,158)	$	3,590,127
Weighted average comon shares outstanding		33,225,195		23,114,746
Shares repurchaseable		-		(1,009,517)
Dilutive effect of stock options, warrants, and performance shares		-		3,000,000
Weighted average comon shares outstanding assuming dilution		33,225,195		25,105,229
Fully diluted earnings per common share	$	(0.17)	$	0.14

Stock options to purchase 3,260,000 common shares, performance shares representing 6,000,000 common shares and 56,000 warrants were outstanding at December 31, 2017 but were not included in the computation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive. As of December 31, 2016, the Company did not have any securities that would be considered anti-dilutive.

12. Income Taxes

Income tax expense and Deferred tax liabilities for the year ended December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016 (restated)
Income tax expense		
Federal	$ (130,715)	$ 147,237
State	(14,470)	20,423
	$ (145,185)	$ 167,660

Deferred tax liability:	December 31, 2017	December 31, 2016 (restated)
Federal	$ (1,542,984)	$ 1,627,953
State	(132,674)	139,981
	$ (1,675,658)	$ 1,767,934
Total income taxes	$ (1,820,843)	$ 1,935,594

	December 31, 2017	December 31, 2016 (restated)
Deferred Tax Assets (Liabilities):		
Noncurrent:		
Fixed assets	$ (61,770)	$ (6,169)
Stock-based and performance share compensation	4,110,941	123,359
Equity method investments	(572,134)	(230,548)
Accrual to cash adjustment	(3,573,552)	(1,654,575)
Net operating loss and carryforward	4,239	-
Total Noncurrent DTA / (DTL)	$ (92,276)	$ (1,767,934)
Gross DTA / (DTL)	(92,276)	(1,767,934)
Valuation Allowance	-	-
Net Deferred Tax Liabilities	$ (92,276)	$ (1,767,934)

	December 31, 2017	December 31, 2016 (restated)
Reconciliation of effective tax rate:		
Federal taxes at statutory rate	35.00%	35.00%
State taxes, net of federal benefit	2.48%	3.02%
Permanent items	-6.17%	0.11%
Establishment of beginning deferred tax assets	0.00%	18.34%
Earnings not subject to C-Corporation tax	0.90%	-22.15%
Change in rate	0.47%	0.00%
Effective income tax rate	32.68%	34.32%

The Company accounts for income taxes in accordance with IFRS under IAS 12, Income Taxes. Under IAS 12, a deferred tax asset or liability is recognized to the extent that realizing them is probable. The Company had an effective tax rate of 33% and 34% for the years ended December 31, 2017 and 2016, respectively. This number can be expected to increase over time.

At December 31, 2017, $nil of cumulative net operating loss carryforwards for federal income tax purposes were available to offset future taxable income through the year 2037. The Internal Revenue Code Section 382 contains provisions that limit the utilization of net operating loss carryforwards if there has been a change in ownership. The Company has not prepared an analysis to determine if a change of control has occurred. Such a change of ownership may limit the Company's utilization of it net operating losses.

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable that the Company will realize the benefits of these deductible differences at December 31, 2017.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act of 2017 (“TCJA”). The passage of this legislation resulted in the change in the U.S. statutory rate from 35% to 21% beginning in January of 2018, the elimination of the corporate alternative minimum tax, the acceleration of depreciation for US tax purposes, limitations on deductibility of interest expense, the elimination of net operating loss carrybacks, and limitations on the use of future losses. In accordance with IAS 12, the impact of a change in tax law is recorded in the period of enactment. For 2017, the rate change does not impact the calculation of current income tax liability but does require the future rate to be applied to deferred income tax assets and liabilities that exist at December 31, 2017. An expense of $49,996 was recorded to deferred income tax expense for this change. An adjustment to the effective tax rate is also required to reflect the different rates (35% and 21%) applied to currently arising temporary differences for current tax and deferred tax.

Based on the Company's current interpretation and subject to the release of the related regulations and any future interpretive guidance, the Company believes the effects of the change in tax law incorporated herein are substantially complete. As a result of other changes introduced by the TCJA, starting with compensation paid in 2018, Section 162(m) will limit us from deducting compensation, including performance-based compensation, in excess of $1,000,000 paid to anyone who, starting in 2018, serves as the Chief Executive Officer or Chief Financial Officer, or who is among the three most highly compensated executive officers

for any fiscal year. The only exception to this rule is for compensation that is paid pursuant to a binding contract in effect on November 2, 2017 that would have otherwise been deductible under the prior Section 162(m) rules. Accordingly, any compensation paid in the future pursuant to new compensation arrangements entered into after November 2, 2017, even if performance-based, will count towards the $1,000,000 fiscal year deduction limit if paid to a covered executive. Additional information that may affect our income tax accounts and disclosures would include further clarification and guidance on how the Internal Revenue Service will implement tax reform, including guidance with respect to 100% bonus depreciation on self-constructed assets and Section 162(m), further clarification and guidance on how state taxing authorities will implement tax reform and the related effect on the Company's state income tax returns and completion of the Company's 2017 tax return filings.

13. Capital Management

The Company's objective in managing capital is to safeguard its ability to continue as a going concern and to sustain future development and expansion of the business. The objective is achieved by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. In order to maintain or adjust its capital structure, the Company may issue new shares or obtain financing as needed.

14. Financial Instruments

The Company's principal financial instruments consist of cash, bank credit line, trade and other receivables, trade and other payables, and finance leases. The carrying amounts of the Company's cash, receivables, and payables, as reflected in the consolidated financial statements approximate fair value due to the short-term maturity of these items. The other long-term instruments approximate their carrying amounts as assessed by management.

The Company's financial instruments are exposed to certain financial risks, including concentration risk, liquidity risk, and market risk.

(a) Concentration risk

Concentration risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and trade receivables. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to concentration risk on cash by placing these financial instruments with high-credit, quality financial institutions and only investing in liquid, investment grade securities.

The Company has a number of individual third-party payors and no individual third-party insurers represents a concentration risk. Net patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third-party payors when collection is reasonably assured and can be estimated. The Company bills national, regional and local third-party insurers which pose a low risk of insolvency because they are regulated by state insurance commissions which require appropriate reserves be maintained to reimburse healthcare providers for submitted claims. A substantial

portion of our services are rendered on an out-of-network basis and billed to third-party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company establishes net realized value by evaluating the payor mix, historical settlement and payment data for a given payor types, and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due and arises from the Company's management of working capital. The Company ensures that there is sufficient liquidity to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. A significant portion of the trade and other payables balance is related to the accrual of billing and collection fees to be paid to the Company's third-party billing and collection vendor. The billing and collection fees are accrued in the same period as services are rendered and revenue is recognized by the company. The accrued billing and collection fees are calculated based on a percentage of either cash collected or the net realized value of the of the revenue recognized, whichever is higher. The fees by the third-party billing and collection vendor are contingent on cash collections and are paid the following month after collection are achieved. Additional billing and collection fees are accrued when the cash collected exceeds the net realized revenue recognized by the company at the time of services rendered. The Company believes that there are currently no concerns of its ability to meet its liabilities as they become due for the foreseeable future. The relative maturity in respect of contractual and legal obligations is set out below:

December 31, 2017

	Total	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
Trade and other payables	$ 2,504,519	$ 2,504,519	$ -	$ -	$ -
Finance leases	570,923	181,784	389,139	-	-
	$ 3,075,442	$ 2,686,303	$ 389,139	$ -	$ -

December 31, 2016 (restated)

	Total	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
Trade and other payables	$ 890,585	$ 890,585	$ -	$ -	$ -
Finance leases	215,196	63,311	151,885	-	-
Short-term loan	184,658	184,658	-	-	-
	$ 1,290,439	$ 1,138,554	$ 151,885	$ -	$ -

(c) Market risk

Market risk is the risk that changes in the market prices, such as interest rates, will affect the Company's income or the value of the financial instruments held. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for the Company.

Fluctuations in the interest rates impact the value of cash but such fluctuations will have no significant impact to the Company's financial instruments.

15. Segmented Information

The Company operates in one segment. The Company's services are sold nationally directly through the Company.

16. Commitments and Contingencies

The Company is a party to a variety of agreements in the ordinary course of business under which it may be obligated to indemnify third parties with respect to certain matters. These obligations include, but are not limited to, contracts entered into with physicians where the Company agrees, under certain circumstances, to indemnify a third party, against losses arising from matters including but not limited to medical malpractice and other liability. The impact of any such future claims, if made, on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to final outcome of these potential claims.

Performance share compensation - The Company entered into stock grant agreements with two executives (Messrs. Parsons and Willer respectively) on November 8, 2016, each of which *inter alia* defines a bonus share threshold as follows: should the Company meet or exceed a 2017 fiscal year EBITDA threshold of $7,500,000 CAD, the Company would issue 6,000,000 Common Shares of the surviving issuer at the trailing 30-day average closing price. Mr. Parsons has agreed to modify his stock grant agreement to change the threshold from EBITDA to cash received to achieve the equivalent EBITDA threshold. The Company is engaged in discussions with Mr. Willer regarding his stock grant agreement and other matters. As the Company achieved the EDITDA threshold for the year ended December 31, 2017, the Company has recorded a liability equivalent to the value of the shares to be issued while the agreements are modified and the cash collected threshold is achieved, which the Company deems probable.

The Company entered into a six-month contract with the Liolios group for capital market advisory services commencing October 2017. Consideration of $6,000 USD per month per month for six months in cash and 60,000 stock options with an exercise price of $3.75 CAD were granted. After six months, the obligation becomes a month to month obligation at $8,000 USD per month.

17. 2016 RESTATEMENT

On June 26, 2018, the Company announced that during the preparation of materials for the Audited Financial Statements and MD&A for the period ended December 31, 2017, Management of the Company identified transactions which resulted in an under reporting of revenue in the period ended December 31, 2016 and an over reporting of revenue in the interim period ending March 31, 2017. Net patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third-party payors when collections are reasonably assured and can be estimated. Additional net patient service revenue for cash collections exceeding the originally estimated amounts are accounted for the periods of cash collections. The restatement relates to cash collections which exceeded the original revenue recognized by the Company at the time of services rendered. The additional earnings were not accounted

for in the periods when cash collections occurred, rather it was accounted for in a subsequent period. The Company originally accounted for the additional cash collected as reductions to the Accounts Receivable balance as unapplied cash with no impact to the income statement. Therefore, the Audited Financial Statements and MD&A for the period ended December 31, 2016 should have accounted for these transactions and the Company's interim Financial Statements and MD&A for the period ended March 31, 2017 should have excluded these transactions. The Audit Committee of the Company recommended to the Board that a restatement of the 2016 Annual Financial Statements and MD&A is the most appropriate course of action given their interpretation of materiality. The Former Auditor agreed to cooperate with the Audit Committee's decision to restate the 2016 Financial Statements and complete the restatement.

The restatement of the Audited Financial Statements ending December 31, 2016 included adjustments to the following:

1. Increase in revenue for the additional cash collected in 2016.
2. Increase in cost of revenue for additional billing and collection fees associated with the additional revenue recognized.
3. Increase in earnings from equity method investments for the increase in revenue at the equity entities for the additional collections that occurred at those respective entities.
4. Adjusting the Company's tax provision as a result of the adjustments to revenue, earnings from equity method investments and billing and collection fees.
5. The tax provision was also adjusted for a change in the provision methodology from an accrual basis to cash basis, based on additional information that became available subsequently to the Company.
6. Adjusting the balance sheet for accounts receivable, accounts payable and accrued liabilities, equity method investments, deferred tax asset/liability, income taxes payable, and retained earnings.

Consolidated Statement of Financial Position

	As filed	Adjusting entries	Restated
ASSETS			
Current assets			
Cash	88,883	-	88,883
Accounts receivable, net	4,328,551	821,488	5,150,039
Deferred share issue costs	123,757	-	123,757
Total current assets	4,541,191	821,488	5,362,679
Equity method investments	703,363	423,866	1,127,229
Due from related parties	23,450	-	23,450
Deferred tax asset	164,778	(164,778)	-
Equipment and furniture, net	265,657	-	265,657
Total assets	5,698,439	1,080,576	6,779,015
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current			
Accounts payable and accrued liabilities	817,928	72,657	890,585
Current portion of finance leases	44,370	-	44,370
Current income taxes payable	504,023	(336,363)	167,660
Note payable	184,658	-	184,658
Due to related parties	164,039	-	164,039
Total current liabilities	1,715,018	(263,706)	1,451,312
Deferred tax liability	-	1,767,934	1,767,934
Finance leases, net of current portion	131,396	-	131,396
Total liabilities	1,846,414	1,504,228	3,350,642
SHAREHOLDERS' EQUITY			
Capital stock	675,556	-	675,556
Additional paid-in capital	324,547	-	324,547
Retained earnings	2,851,922	(423,652)	2,428,270
Total shareholders' equity	3,852,025	(423,652)	3,428,373
Total liabilities and shareholders' equity	5,698,439	1,080,576	6,779,015

Consolidated Statement of Income

	As filed	Adjusting entries		Restated
Revenue				
Out-of-Network fees	$ 5,328,205	$ 821,488		$ 6,149,693
Contract fees	201,443	-		201,443
Total revenue	5,529,648	821,488		6,351,136
Cost of revenues	(931,693)	(96,657)		(1,028,350)
Gross margin	4,597,955	724,831		5,322,786
Operating expenses				
General and administrative	1,010,340	3,914	(a)	1,014,254
Depreciation and amortization	66,493	-		66,493
Sales and marketing	191,052	(27,914)	(a)	163,138
Total operating expenses	1,267,885	(24,000)		1,243,885
Income from operations	3,330,070	748,831		4,078,901
Other income/(expenses)				
Earnings from equity method investments	1,040,498	423,866		1,464,364
Interest, net	(17,544)	-		(17,544)
Total other income/(expenses)	1,022,954	423,866		1,446,820
Income before income taxes	4,353,024	1,172,697		5,525,721
Income taxes	(339,245)	(1,596,349)		(1,935,594)
Net income	$ 4,013,779	$ (423,652)		$ 3,590,127
Basic income per common share	$ 0.17	$ (0.01)		$ 0.16
Diluted income per common share	$ 0.16	$ (0.02)		$ 0.14

(a) These amounts have been reclassified to conform to the 2017 presentation. These reclasses did not have an impact on 2016 reported net income and were not related to the restatement.

18. SUBSEQUENT EVENTS

Forensic Audit

As disclosed on March 21, 2018, the Company, at the direction of the Audit Committee, retained RubinBrown LLP ("RubinBrown"), as a forensic accountant to address the concerns of the Former Auditor and related matters. The initial scope of work conducted by RubinBrown included the following: (i) a review of compensation paid to Mr. Parsons and Mr. Willer, the former President and former director of the Company; (ii) activity in the Company's shareholders' distribution accounts for Mr. Parsons and Mr. Willer; (iii) activity in the Company's due to/from management accounts for Mr. Parsons and Mr. Willer; and (iv) use of the Company's credit card for business expenses and personal expenses of Mr. Parsons and Mr. Willer.

On May 3, 2018, RubinBrown provided the Audit Committee with its confidential report (the "Forensic Report"). The Audit Committee reviewed the Forensic Report and recommended that its findings be accepted by the Board. On May 7, 2018, the Board accepted the May 3, 2018 Forensic Report and authorized RubinBrown to conduct additional work as described below.

Based on the findings of the Forensic Report, the Audit Committee recommended to the Board and the Board determined that the amount of $788,702 previously characterized as shareholders' distributions in

the interim period ending June 30, 2017 unaudited consolidated Financial Statements of the Company be reclassified as amounts due from related parties to be repaid to the Company. As a result, Mr. Parsons owes $600,000 to the Company and Mr. Willer owes $188,702.

In addition, the Forensic Report identified that Mr. Willer was paid a total amount of $30,956 in excess of compensation amounts authorized to him under his employment agreement in calendar year 2017 and that utilization of the Company Credit Card for personal use. From the completion of the RTO, on May 25, 2017 to March 31, 2018, personal expenses totaled $849,695 for Mr. Parsons and $39,531 for Mr. Willer. On the recommendation of the Audit Committee, accepted by the Board, these amounts were added as amounts due from related parties.

On June 26, 2018, the Company announced that the Board, on the advice of the Audit Committee, resolved that Mr. Parsons owes approximately $2.1 million to the Company. This amount is greater than the amount contemplated in the Company's news release dated May 15, 2018 because a) the Board recommended and Mr. Parsons agreed to repay a substantial amount of professional and advisory fees incurred by the Company since the resignation of the Former Auditor, b) interest was assessed on all amounts owed from the dates incurred; and c) some expenses originally booked as business expenses were assessed by the Audit Committee to be more accurately defined as personal expenses and thus subject to repayment by Mr. Parsons. Although Mr. Parsons disagreed that some of these particular expenses should be re-classified as personal expenses, Mr. Parsons concluded that it would be in the best interest of the Company and its shareholders to agree to repay these amounts and put a final resolution to this matter. A similar arrangement will be required of Mr. Willer and the Company will be taking necessary steps to collect and resolve the outstanding amounts owed by Mr. Willer. Mr. Parsons has agreed to repay the amounts owed in full as soon as reasonably possible.