

**AREV NUTRITION SCIENCES INC.**

(Formerly: Immunall Science Inc.)

**Condensed Interim Financial Statements**

**For the Nine Months Ended September 30, 2016**

(Expressed in Canadian Dollars)  
(Unaudited)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of Arev Nutrition Sciences Inc. (Formerly: Immunall Science Inc.) for the nine months period ended September 30, 2016 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**AREV NUTRITION SCIENCES INC.  
(FORMERLY: IMMUNALL SCIENCE INC.)**

**September 30, 2016**

**MANAGEMENT'S RESPONSIBILITY FOR  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of Arev Nutrition Sciences Inc. (Formerly: Immunall Science Inc.). (the "Company") are the responsibility of management.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

**Arev Nutrition Sciences Inc.**  
**(Formerly: Immunall Science Inc.)**  
**Condensed Interim Statements of Financial Position**

Statement 1

(Unaudited – Expressed in Canadian Dollars)

	September 30, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash	\$ 5,955	\$ 1,721
GST receivable	8,658	4,481
Prepaid expenses	-	2,375
	<b>14,613</b>	<b>14,495</b>
<b>Non-Current Assets:</b>		
Prepaid Expenses and deposits	5,918	
Property and equipment (note 3)	552,044	2,844
	<b>557,962</b>	<b>2,844</b>
	<b>\$ 572,575</b>	<b>\$ 17,339</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (notes 4 and 7)	180,763	129,871
Loan payable (note 5)	172,019	51,805
Due to related parties	113,630	
	<b>466,412</b>	<b>181,676</b>
Convertible Debentures(note 5)	416,592	
	<b>\$ 883,004</b>	<b>\$ 181,676</b>
<b>Shareholders' Deficiency</b>		
Share capital (note 6)	747,769	747,769
Reserves	422,248	422,248
Deficit	(1,480,446)	(1,334,354)
	<b>(310,429)</b>	<b>(164,337)</b>
	<b>\$ 572,575</b>	<b>\$ 17,339</b>

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

Nature of operations and going concern (Note 1)  
 Commitments (Note 8)

These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on November 29, 2016 and signed on its behalf by:

/s/ Stephane Maher  
 Director

/s/ Nils Rehmann  
 Director

**Arev Nutrition Sciences Inc.****(Formerly: Immunall Science Inc.)**

Statement 2

**Condensed Interim Statements of Operations and Comprehensive Loss***(Unaudited – Expressed in Canadian Dollars)*

	For the three months ended		For the Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
<b>EXPENSES</b>				
Amortization	\$ 267	\$ -	\$ 801	\$ -
Audit and professional fees	1,000	1,200	24,881	8,350
Management fees	38,733		38,733	
Consulting	3,784	4,620	26,997	5,620
Corporate listing and filing fees	2,000	7,500	19,482	10,532
Interest and bank charges	8,800	1,099	9,730	1,386
Office	627	408	2,325	408
Rent (note 8)	8,625	2,350	22,725	2,350
Storage	-	198		198
Travel	-	1,593	418	1,593
<b>TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (63,836)</b>	<b>\$ (18,518)</b>	<b>\$ (146,092)</b>	<b>\$ (30,437)</b>
<b>Loss per share</b>				
- Basic and diluted	\$ (0.06)	\$ (0.02)	\$ (0.14)	\$ (0.03)
<b>Weighted average number of common shares outstanding</b>	<b>1,013,209</b>	<b>1,013,209</b>	<b>1,013,209</b>	<b>1,013,209</b>

The accompanying notes form an integral part of these condensed interim financial statements.

**Arev Nutrition Sciences Inc.****(Formerly: Immunall Science Inc.)***Statement 3***Condensed Interim Statements of Changes in Shareholders' Deficiency***(Unaudited – Expressed in Canadian Dollars)*

	Number of common shares	Share capital	Reserve	Deficit	Total
<b>Balance at December 31, 2014</b>	<b>1,013,209</b>	<b>\$ 747,769</b>	<b>\$ 422,248</b>	<b>\$ (1,250,198)</b>	<b>\$ (80,181)</b>
Loss for the period	-	-	-	(30,437)	(30,437)
<b>Balance at September 30, 2015</b>	<b>1,013,209</b>	<b>\$ 747,769</b>	<b>\$ 422,248</b>	<b>\$ (1,280,635)</b>	<b>\$ (110,618)</b>
Loss for the period				(53,719)	(53,719)
<b>Balance at December 31, 2015</b>	<b>1,013,209</b>	<b>\$ 747,769</b>	<b>\$ 422,248</b>	<b>\$ (1,334,354)</b>	<b>\$ (164,337)</b>
Loss for the period	-	-	-	(146,092)	(146,092)
<b>Balance at September 30, 2016</b>	<b>1,013,209</b>	<b>\$ 747,769</b>	<b>\$ 422,248</b>	<b>\$ (1,480,446)</b>	<b>\$ (310,429)</b>

The accompanying notes form an integral part of these condensed interim financial statements.

**Arev Nutrition Sciences Inc.**  
**(Formerly: Immunall Science Inc.)**  
**Condensed Interim Statements of Cash Flows**  
*(Unaudited – Expressed in Canadian Dollars)*

Statement 4

	<b>For the Nine months ended</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
<b>Net loss for the period</b>	<b>\$ (146,092)</b>	<b>\$ (30,437)</b>
<b>Adjustments for items not affecting cash:</b>		
Amortization	801	-
	<b>(145,291)</b>	<b>(30,437)</b>
Net changes in non-cash working capital items:		
GST receivables	<b>(4,177)</b>	(1,560)
Prepaid expenses	<b>2,375</b>	(1,979)
Deposits	-	(5,518)
Accounts payable and accrued liabilities	<b>53,089</b>	(4,487)
Interest payable	<b>(606)</b>	977
Cash used in Operating Activities	<b>(94,610)</b>	<b>(43,004)</b>
<b>Investing Activities:</b>		
Payment for the office renovation	-	(3,200)
Cash used in Investing Activities	-	<b>(3,200)</b>
<b>Financing Activities:</b>		
Loans	<b>60,214</b>	47,419
Due to Related Parties	<b>38,630</b>	
Cash provided by Financing Activities	<b>98,844</b>	47,419
<b>Change in cash</b>	<b>4,234</b>	1,215
<b>Cash, beginning of the period</b>	<b>1,721</b>	1,699
<b>Cash (Overdraft), end of the period</b>	<b>\$ 5,955</b>	<b>\$ 2,914</b>

The accompanying notes form an integral part of these condensed interim financial statements.

**Arev Nutrition Sciences Inc.**  
**(Formerly Immunall Science Inc.)**  
**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2016**  
*(Unaudited - Expressed in Canadian dollars)*

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**1. Nature of Operations and Going Concern**

Arev Nutrition Sciences Inc. (formerly Immunall Science Inc.) (the "Company") was incorporated under the *Business Corporations Act* (Alberta) on November 22, 2005. The Company was a research company engaged in the business of developing and commercialising technology related to the growth and extraction of active ingredients from American Ginseng. During 2014, the Company ceased its ginseng operations and is currently inactive (note 2(a)).

The address and principal place of business of the Company is 440-890 West Pender Street, Vancouver BC, V6C 1J9.

The Company is listed on the Canadian Securities Exchange ("CNSX") under the symbol "ARV". On May 8, 2015, the CNSX suspended the Company's shares from trading on the CNSX as a result of a cease trade order issued by the British Columbia Securities Commission ("BCSC") due to the Company's failure to file its audited financial statements for the year ended December 31, 2014, as required under Part 4 of National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102"), and a Form 51-102F1 Management's Discussion and Analysis ("MDA") for the year ended December 31, 2014, as required under Part 5 of NI 51-102, within the mandatory timeline. During the Nine months ended September 30, 2016, the Company has complied with the continuous disclosure requirements and the cease trade order has been lifted.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The Company is in the development stage and there is a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. As of September 30, 2016, the Company has earned no recent revenues from operations, had a net loss of \$146,092 (2015 - \$30,437), and has a deficit of \$1,480,446 (December 31, 2015 - \$1,334,354). During the year ended December 31, 2015, the Company entered into a credit agreement with a third party, however the debt was not repaid on the maturity date of January 31, 2016. This debt was converted it to the convertible debenture on September 16, 2016 (Note 5). Accounts payable includes \$45,000 owing to previous management that will not be repaid until sufficient cash flow is available. Management is currently investigating a range of strategic options available with a view to generating income sufficient to pay its liabilities and ongoing operating expenses, and maximizing shareholder value. The Company may be required to obtain additional debt or equity financing or curtail spending in the future to fund operations and settle obligations.

These statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate for these unaudited interim condensed financial statements, then adjustments, which could be material, would be necessary to the carrying values of assets and liabilities and the reported expenses and the statement of financial position classifications used.



**Arev Nutrition Sciences Inc.**  
**(Formerly Immunall Science Inc.)**  
**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2016**  
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**2. Basis of Preparation**

*Statement of Compliance*

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with the International Accounting Standard 34, Interim Financial Reporting (“IAS 34”).

*Basis of presentation*

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015. However, this condensed interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

These unaudited condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s audited annual financial statement for the fiscal year ended December 31, 2015, except for the following:

*New Standards Recently Adopted*

The Company has adopted the following new accounting standards and interpretations effective January 1, 2016. These changes were made in accordance with the applicable transitional provisions and had no material impact on its Financial Statements.

- IFRS 7 *Financial Instruments* – The amendment clarifies the applicability of the amendments to IFRS 7 *Disclosure – Offsetting Financial Assets and Financial Liabilities* to condensed consolidated interim financial statements. This amendment is effective for reporting periods beginning on or after January 1, 2016.
- IAS 34 *Interim Financial Reporting* – The amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report' and requires a cross reference. This amendment is effective for reporting periods beginning on or after January 1, 2016.
- IAS 16 and 38 *Property, Plant and Equipment and Intangible Assets (Amendment)* – These new standards provide additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. These standards are effective for annual periods beginning on or after January 1, 2016.

**Arev Nutrition Sciences Inc.**  
**(Formerly Immunall Science Inc.)**  
**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2016**  
*(Unaudited - Expressed in Canadian dollars)*

**2. Basis of Preparation (continued)**

*New Standards Not Yet Effective*

The following is an overview of new accounting standards that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

- IFRS 9 *Financial Instruments* – This standard provides added guidance on the classification and measurement of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.
- IFRS 15 *Revenue from Contracts with Customers* – The standard covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning or after January 1, 2018.
- IFRS 16 *Leases* – This standard was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019. Patents

**3. Property and equipment**

	Leasehold Improvements	NPNs	Patent	Plant Equipment	Total
<b>Cost</b>					
Balance December 31, 2015	3,200	75,000	-	-	3,200
Additions or disposals	-	75,000	75,000	400,000	550,000
Balance at September 30, 2016	3,200	75,000	75,000	400,000	553,200
<b>Accumulated depreciation</b>					
Balance December 31, 2015	356	-	-	-	356
Depreciation for the period	801	--	-	-	801
Balance at September 30, 2016	1,157	-	-	-	1,157

**Arev Nutrition Sciences Inc.**  
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**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2016**  
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**3. Property and equipment (continued)**

During the nine months period ended September 30, 2016 the Company has purchased four coconut oil and whey protein derived products (NPN), The purchase price of \$75,000 is to be settled by issuance of 1,500,000 common shares at a deemed price of \$0.05 per share. As of September 30, 2016 no shares have been issued.

During the nine months period ended September 30, 2016 the Company has purchased U.S. patent number 8,916,211 -Method and Composition for Preventing and Treating Avian Influenza in Poultry .The purchase price of \$75,000 is to be settled by issuance of 1,500,000 common shares at a deemed price of \$0.05 per share. As of September 30, 2016 no shares have been issued.

During the nine months period ended September 30, 2016 the Company has purchased assembled apparatus for extracting oils from natural biomass using fastfreezing extraction methods and certain engineering know-how. The purchase price of \$400,000 is to be settled by issuance of 2,000,000 common shares at a deemed price of \$0.05 per share and \$300,000 convertible debenture (Note 5). As of September 30, 2016 no shares have been issued.

**4. Accounts payable and accrued liabilities**

	<b>June 30, 2016</b>	December 31, 2015
Trade payables	\$ 115,265	\$ 50,377
Interest payable (note 5)	-	2,197
Other payables and accrued liabilities	180,763	77,297
	<u>\$ 180,763</u>	<u>83,684</u>

**5. Loan payable and Convertible Debentures**

On July 8, 2015, the Company entered into an agreement with a third party to advance funds to the Company for a maximum amount of \$100,000 to cover operating costs. The loan bears interest at 10% per annum, compounded monthly. All amounts are repayable on demand on or before January 31, 2016. On September 16, 2016 the loan and interest was converted to \$115,000 Convertible Debenture.

**Arev Nutrition Sciences Inc.**  
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**5. Loan payable and Convertible Debentures (continued)**

On September 16, 2016 the Company Issued \$300,000 convertible debenture for assembled apparatus for extracting oils from natural biomass using fastfreezing extraction methods and certain engineering know-how. Debenture bears 10% per annum interest and can be converted at \$0.05 into units of the Company, each unit consisting of one common share of the Company and one transferable common share warrant of the Company, the common share warrant having an exercise price of \$0.05 and an exercise period of two years from the time of issuance. As of September 30, 2015 \$1,151 in interest have been accrued.

On September 16, 2016 the Company Issued \$115,000 convertible debenture for loan settlement. Debenture bears 10% per annum interest and convertible at \$0.05 into units of AREV, each unit consisting of one common share of AREV and one transferable common share warrant of AREV, the common share warrant having an exercise price of \$0.05 and an exercise period of two years from the time of issuance, in full settlement of the Outstanding Advance of the Credit Facility, including without limitation, any accrued interest. As of September 30, 2015 \$441 in interest have been accrued.

**6. Share capital**

**(a) Authorized**

Unlimited number of common shares  
 20,000,000 preferred shares, issuable in one or more series  
 20,000,000 redeemable preferred shares, issuable in one or more series

**(b) Issued**

On August 24, 2016, the Company consolidated its common shares on the basis of 33 pre-consolidation common shares to 1 post-consolidation common share. All the figures as to the number of common shares, prices of issued shares, as well as the loss per share, in the unaudited condensed interim financial statements are post-consolidation amounts and the prior year comparatives have been retroactively restated to present the post-consolidation amounts.

	<b>Number</b>	<b>Stated value</b>
Common shares issued:		
September 30, 2016 and December 31, 2015	<u>1,013,209</u>	<u>\$ 747,769</u>

**Arev Nutrition Sciences Inc.**  
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**6. Share capital (continued)**

**(c) Stock options**

The Company has a stock option plan pursuant to which the Board of the Company may grant options to purchase common shares to the officers, directors and employees of the Company or affiliated companies and to consultants retained by the Company.

The aggregate number of common shares reserved for issuance under the stock option plan is set at a maximum of 10% of the total number of shares outstanding at the time the options are granted. Furthermore, the aggregate number of shares issuable to one individual may not exceed 5% of the total number of issued and outstanding common shares of the Company. The exercise price of all options issued under the stock option plan may not be less than the closing market price on the last business day prior to the date the option was granted.

No options were granted or outstanding during the Nine months ended September 30, 2016 and the year ended December 31, 2015.

**7. Related party transactions**

**(a) Related Parties**

The Company's related parties consist of its Chief Operating Officer ("COO") and Chief Financial Officer ("CFO"). The nature of the Company's relationships with its related parties is as follows:

	<b>Nature of Relationship</b>
Chief Operating Officer	Management
Chief Financial Officer	Management

The Company did not incur fees and expenses in the normal course of operations in connection with its former COO and CFO during the Nine months ended September 30, 2016. However, \$45,000 in accounts payable (December 31, 2015 - \$45,000) remains outstanding relating to consulting fees charged by corporations owned by management and directors in prior periods.

Amounts included in accounts payable and accrued liabilities are due under normal credit terms.

As of September 30, 2016 the Company has accrued \$35,000 in signing bonuses to Directors. Bonuses to be paid solely by the issuance of 700,000 common shares of the Company. As of September 30, 2016 no shares have been issued. The Company has accrued \$3,733 (September 30, 2015 -\$0 ) management fees for Nine months ended September 30, 2016.

**Arev Nutrition Sciences Inc.**  
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**Notes to the Condensed Interim Financial Statements**  
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**8. Commitments**

**(a) Licensing and Royalty**

The Company has a licensing and royalty memorandum of understanding with the initial developer of the technology that is being utilized exclusively by the Company for the production of products from ginseng roots. As part of the memorandum of understanding, the Company is required to pay a royalty of 5% of the invoiced cost of each production run incurred by the Company.

**(b) Office Lease**

On August 27, 2015, the Company signed the lease agreement with Rocky Mountain Property Management Company ("Rocky Mountain") for the office lease in Vancouver, BC that started on September 1, 2015 and ends on August 31, 2018. The term of the lease is 36 months with two-year option for approximately 2,000 rentable square feet as well as the permitted uses of the storage. For the rental period of two years, the Company is required to pay the annual basic rent and the water / sewer costs.

The Company is expected to make the following minimum lease payments:

For the year ended	Minimum Lease Payments, excluding GST
December 31, 2016	33,096
December 31, 2017	33,096
December 31, 2018	22,064
<b>Total minimum lease payments</b>	<b>\$ 99,288</b>

**9. Financial instruments and risk management**

**Risk management overview**

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Company employs risk management strategies and policies to ensure that any exposure to risk are in compliance with the Company's business objectives and risk tolerance levels. While the Board has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

**Arev Nutrition Sciences Inc.**  
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**9. Financial instruments and risk management (continued)**

**Fair values of financial instruments**

The fair value of the Company's cash, deposits and accounts payable and accrued liabilities approximate their carrying value due to immediate or short-term maturity of these financial instruments.

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

Level 1 - reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - reflects valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The financial instrument in the Company's financial statements measured at Level 1 fair value is cash.

**Financial instrument risk exposure**

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk and other price risk.

**Credit risk**

Credit risk is the risk of financial loss to the Company if any counterparty fails to discharge its obligations.

Credit risk exists in cash, which is mitigated by the Company holding its cash in major Canadian banking financial institutions and deposits which is held by the property manager of the leased premises.

**Arev Nutrition Sciences Inc.**  
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**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2016**  
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**9. Financial instruments and risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The financial liabilities on the statements of financial position consist of accounts payable and accrued liabilities, which includes \$45,000 due to related parties (note 7) that is not expected to be repaid in the next year. The Company obtained additional financing in the current year through a third party credit facility to manage liquidity risk (note 5). The Company entered into a lease agreement for an office that requires monthly payments (note 8(b)) Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations as they become due.

**Capital risk management**

The Company's objectives in managing its capital is to safeguard the Company's assets to be able to continue as a going concern, and to sustain future development of the business.

Management defines capital as the Company's shareholders' deficiency. The Company manages its capital structure and makes adjustments to it according to economic market conditions. Management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses expected capital requirements for the fiscal period. In order to maintain or adjust the capital structure, the Company may adjust spending, issue new shares, sell assets or incur debt.

There have been no changes to the Company's capital management policy during the Nine months ended September 30, 2016, and year ended December 31, 2015, and the Company is not subject to externally imposed capital requirements at September 30, 2016 and December 31, 2015.

**10. Subsequent events**

Subsequent to the September 30, 2016, The Company has completed a private placement with gross proceeds of \$260,000.