

BRISIO INNOVATIONS INC.

Unaudited Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars)

For the Three Months Ended March 31, 2018 and 2017

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Notice of No Auditor Review of Interim Financial Statements

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2018 and 2017.

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

Notes	As at March 31, 2018	As at December 31, 2017
ASSETS		
Current assets		
	\$ 469,786	\$ 49,145
	9,964	26,141
	7,597	5,381
	13,566	8,117
	500,913	88,784
Non-current assets		
7	581,235	581,235
8	3,145,761	3,810,580
8	257,110	-
	3,984,106	4,391,815
	\$ 4,485,019	\$ 4,480,599
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
	\$ 142,658	\$ 245,383
10	36,000	-
	178,658	245,383
SHAREHOLDERS' EQUITY		
10	22,542,280	21,539,936
	1,251,950	1,251,950
9	(19,487,869)	(18,556,670)
	4,306,361	4,235,216
	\$ 4,485,019	\$ 4,480,599

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

_____ "Paul Andreola"	Director
_____ "Colin Bowkett"	Director

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

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss) For the period ended March 31, 2018 with comparative figures for 2017

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Notes	For the three months ended March 31, 2018	For the three months ended March 31, 2017
INCOME			
Unrealized gain (loss) on investments	8, 9	\$ (1,074,983)	\$ 663,857
Realized gain on sale of investments	8	201,540	30,977
Gross profit (loss)		(873,444)	694,834
GENERAL AND ADMINISTRATION EXPENSES			
Management fees	11	18,000	18,000
Office and general		16,766	16,938
Professional fees		20,036	14,088
Transfer agent and filing		3,899	23,824
		58,701	72,850
Income (loss) before other items		(932,145)	621,984
OTHER ITEMS			
Foreign exchange gain		946	(267)
		946	(267)
Net income (loss)		(931,199)	621,717
Basic and diluted earnings (loss) per share		\$ (0.01)	\$ 0.03
Weighted average number of shares outstanding - basic		37,537,137	30,182,335
Weighted average number of shares outstanding - diluted		40,048,686	28,342,335

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

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the periods ended March 31, 2018 and 2017

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2018	36,507,993	\$ 21,539,936	\$ 1,251,950	\$(18,556,670)	\$ 4,235,216
Issue of share capital, net	5,009,375	1,002,344	-	-	1,002,344
Net income for the period	-	-	-	(931,199)	(931,199)
Balance as at March 31, 2018	41,517,368	\$ 22,542,280	\$ 1,251,950	\$(19,487,869)	\$ 4,306,361

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2017	29,061,828	\$ 20,393,294	\$ 1,046,628	\$(16,900,144)	\$ 4,539,778
Issue of share capital, net	7,171,165	1,075,674	-	-	1,075,674
Net income for the period	-	-	-	621,717	621,717
Balance as at March 31, 2017	36,232,993	\$ 21,468,968	\$ 1,046,628	\$(16,278,427)	\$ 6,237,169

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

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Cash Flows For the period ended March 31, 2018, with comparative figures for 2017

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

Year Ended December 31,	For the three months ended March 31, 2018	For the three months ended March 31, 2017
CASH FLOWS PROVIDED BY (USED IN):		
Operating activities		
Net income for the period	\$ (931,199)	\$ 621,717
Adjustment for items not involving cash:		
Foreign exchange gain	(946)	267
Unrealized (gain) / loss on investments	1,074,983	(663,857)
Realized gain on sale of investment	(201,540)	(30,977)
	(58,701)	(72,850)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	16,177	24,409
Decrease (increase) in GST recoverable	(2,216)	(110)
Decrease (increase) in prepaid expenses	(5,449)	(3,793)
Increase (decrease) in accounts payable and accrued liabilities	(102,725)	(76,212)
	(152,914)	(128,556)
Investing activities		
Long-term deposit on investment	(257,110)	-
Sale of investments	26,375	33,902
Purchase of investments	(235,000)	(80,810)
	(465,735)	(46,908)
Financing activities		
Issuance of common shares	1,036,000	1,024,925
Exercise of warrants	2,344	50,750
	1,038,344	1,075,675
Foreign exchange on cash and cash equivalents	946	(267)
Increase (decrease) in cash and cash equivalents	420,641	899,944
Cash and cash equivalents, beginning of period	49,145	21,554
Cash and cash equivalents, end of period	\$ 469,786	\$ 921,498

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

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Brisio Innovations Inc. (the “Company”) is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”). The head office and principal address is 409 Granville Street, Suite 1052, Vancouver, British Columbia, Canada, V6C 1T2.

The unaudited condensed interim consolidated financial statements of the Company as at and for the three months ended March 31, 2018 and 2017 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group primarily invests its capital in companies and opportunities which management believes are undervalued in order to build a portfolio of investments.

These unaudited condensed interim consolidated financial statements (“interim financial statements”) have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the three months ended March 31, 2018, the Group had a net loss of \$931,199 (2017 – net income \$621,717), has a working capital of \$322,255 (December 31, 2017 – deficit of \$156,599) and an accumulated deficit of \$19,487,869 (December 31, 2017 - \$18,556,670). These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group’s ability to continue as a going concern is dependent upon earning sufficient returns on its investments and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements.

These interim financial statements were approved by the Board of Directors on May 30, 2018.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

2. BASIS OF PREPARATION (continued)

(b) Functional and presentation currency:

These interim financial statements are presented in Canadian dollars, which is the Group's functional currency.

(c) Basis of measurement:

The interim financial statements have been prepared on the historical cost basis except for financial instruments that are measured at their fair value.

In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

- a. The judgment of indications of impairment of each asset and related determination of the net realizable value and write-down of these assets where applicable;
- b. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
- c. The inputs used in determining the valuation of share purchase warrants owned by Brisio; and
- d. The fair value of the convertible note.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued):

Significant accounting judgments:

- a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- b. The analysis of the functional currency for each entity of the Group. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained; and
- c. The going concern risk assessment (see note 1).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2017, except for the following:

The Company adopted IFRS 9 – Financial Instruments on January 1, 2018. The adoption of the standard was applied retrospectively and the opening balance sheet as of January 1, 2017 was adjusted.

On transition to IFRS 9, the Company's financial assets were classified into the following categories:

- FVTPL – Cash and cash equivalents, convertible notes and investments
- FVOCI – None
- Amortized Cost – Accounts receivable

The only change in classification was to the Company's investments which were previously classified as Available for Sale. Since the AFS classification already required the investments to be recorded on the balance sheet at fair value there was no adjustment to the carrying value of the investments. The change in classification will result in past and future unrealized gains and losses on the Company's investments being recorded in profit and loss before tax instead of in other comprehensive income and loss net of tax. The accumulated unrealized gains and losses on the Company's investments will be included in retained earnings/deficit instead of accumulated other comprehensive income/loss.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Refer to Note 9 for quantitative details pertaining to the adoption of this standard.

Summary of changes in accounting policies

The Company adopted the following new standards and interpretations issued by the IASB effective January 1, 2017. The adoption of these standards had no impact on the Group's consolidated financial statements.

IAS 7 (Amendment)	<i>Statement of Cash Flows</i>
IAS 12 (Amendment)	<i>Income Taxes</i>
IFRS 12 (Amendment)	<i>Disclosure of Interests in Other Entities</i>

The Company adopted the following new standards and interpretations issued by the IASB effective January 1, 2018. The adoption of these standards had no impact on the Group's consolidated financial statements with the exception of IFRS 9 (note 9).

IFRS 9	<i>Financial Instruments: Classification and Measurement (note 9)</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
IFRS 2 (Amendment)	<i>Clarification of Classification & Measurement of Share-Based Payment Transactions</i>

The following standards and interpretations have been issued but are not yet effective. The Group is currently assessing the impact that these standards will have on the interim financial statements. The Group plans to adopt these standards as soon as they become effective for the Group's reporting period.

Effective annual periods beginning on or after January 1, 2019:	
IFRS 16	<i>Leases</i>

4. DETERMINATION OF FAIR VALUES

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At March 31, 2018, the Group's financial instruments include cash and cash equivalents, accounts receivable, convertible note, investments, and accounts payable and accrued liabilities. Accounts receivable, and accounts payable and accrued liabilities are recognized on the consolidated statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

4. DETERMINATION OF FAIR VALUES (continued)

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Group's financial assets measured at fair value by level within the fair value hierarchy.

March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 469,786	\$ -	\$ -	\$ 469,786
Investment - shares	\$ 3,269,581	\$ -	\$ -	\$ 3,269,581
Investment - warrants	\$ -	\$ -	\$ 1,180	\$ 1,180
Convertible note	\$ -	\$ -	\$ 581,235	\$ 581,235
December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 49,145	\$ -	\$ -	\$ 49,145
Investment - shares	\$ 3,532,252	\$ -	\$ -	\$ 3,532,252
Investment - warrants	\$ -	\$ -	\$ 199,828	\$ 199,828
Convertible note	\$ -	\$ -	\$ 581,235	\$ 581,235

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

5. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group's activities expose it to a variety of financial risks that arise as a result of its activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Group's cash is held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have significant impact on the fair value as at March 31, 2018.

The Group's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Currency risk is the risk to the Group's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Group does not use derivative instruments to reduce its exposure to foreign currency risk.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Foreign currency risk (continued)

At March 31, 2018, the Group had the following financial assets and liabilities in foreign currencies:

	US Dollars	Argentine Pesos
Cash	\$ -	(550)
Accounts receivable	\$ -	24,827
Accounts payable	\$ 19,725	445,323

At March 31, 2018, US dollar amounts were converted at a rate of \$1.00 US dollars to \$1.2894 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to \$0.06387 Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Group is exposed to significant other price risk. A 5% increase or decrease in the value of its investments will impact other comprehensive income (loss) by approximately \$160,000.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Group's cash and cash equivalents and accounts receivable are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the majority of funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its accounts receivable is remote.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

At March 31, 2018, the Group had a cash balance of \$469,786, accounts receivable of \$9,964 and GST recoverable of \$7,597. The Group has accounts payable and accrued liabilities of \$142,658. The Group intends to raise adequate funds to meet its liquidity needs for the next twelve months via private placement or the sale of over-performing investments.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

6. CAPITAL MANAGEMENT

The Group considers its capital structure to include working capital deficiency and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Group is reasonable.

The Group is not subject to any external capital restrictions and the Group did not change its approach to capital management during the period.

7. CONVERTIBLE NOTE

On September 12, 2016, the Company completed an investment in ImmunoPrecise Antibodies Ltd. ("**IPA**"). The Company subscribed for a convertible note in the principal amount of \$97,500 (the "**Convertible Note**"). The Convertible Note earns interest at a rate of 5% per annum, calculating and accruing daily from the date of issue, payable in arrears on an annual basis commencing on September 12, 2016, and matured on September 12, 2017. Such interest shall be paid in Canadian currency or common shares in accordance with the terms.

In the event that IPA completes a reverse takeover to list on stock exchange ("**Pubco**"), the principal amount of the Convertible Note will be convertible into 650,000 units of Pubco issued at a price of \$0.15 per unit. Each Unit will consist of one common share of Pubco (a "**Pubco Share**") and one share purchase warrant ("**Pubco Warrant**"). Each Pubco Warrant will entitle the Company to acquire one additional Pubco Share at a price of \$0.30 per share for a period of twelve (12) months from the date of issue of the Pubco Warrants.

At December 31, 2016, the Convertible Note was revalued to fair value due to the conversion feature embedded in the Convertible Note. As a result, the change in fair value of the Convertible Note was \$1,397,612. The estimated fair value of the Convertible Note comprises the fair value of the shares and the fair value of the warrants determined by the use of the Black-Scholes option-pricing model with the following assumptions: Dividend yield 0%; expected annual volatility 100%; risk-free interest rate 0.75%; market share price of \$1.29; and expected life of 1 year. Expected volatility was based on the volatility of similar companies.

On March 16, 2017, the Convertible Note was converted into 650,000 units of IPA at a price of \$0.15 per unit. The fair value of the Convertible Note on conversion date comprises the fair value of the shares and the fair value of the warrants determined by the use of the Black-Scholes option-pricing model with the following assumptions: Dividend yield 0%; expected annual volatility 282%; risk-free interest rate 0.64%; market share price of \$1.24; and expected life of 1 year. Expected volatility was based on the volatility of similar companies. As a result, the change in fair value of the Convertible Note was \$56,823. The Company was issued 650,000 common shares of IPA and 650,000 warrants which entitle the Company to acquire one additional share of IPA at a price of \$0.30 per share for a period of twelve (12) months from the date of issue. In February 2018, the Company exercised 650,000 warrants of IPA at a price of \$0.30 per share for a total of \$195,000.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

7. CONVERTIBLE NOTE (continued)

On August 9, 2017, the Company completed an investment in Atlas Engineered Products Ltd. (“Atlas”). The Company subscribed for a convertible note in the principal amount of \$97,500 (the “**Convertible Note2**”). The Convertible Note2 earns interest at a rate of 5% per annum, calculating and accruing daily from the date of issue, payable in arrears on an annual basis commencing on August 9, 2017, and matures on August 9, 2018. Such interest shall be paid in Canadian currency or common shares in accordance with the terms.

In the event that Atlas completes a reverse takeover to list on stock exchange (“**Pubco2**”), the principal amount of the Convertible Note2 will be convertible into 487,500 units of Pubco2 issued at a price of \$0.20 per unit. Each Unit will consist of one common share of Pubco2 (a “**Pubco2 Share**”) and one share purchase warrant (“**Pubco2 Warrant**”). Each Pubco2 Warrant will entitle the Company to acquire one additional Pubco2 Share at a price of \$0.40 per share for a period of twelve (12) months from the date of issue of the Pubco2 Warrants.

At December 31, 2017, the Convertible Note2 was revalued to fair value due to the conversion feature embedded in the Convertible Note2. As a result, the change in fair value of the Convertible Note2 is \$383,735. The estimated fair value of the Convertible Note2 comprises the fair value of the shares and the fair value of the warrants determined by the use of the Black-Scholes option-pricing model with the following assumptions: Dividend yield 0%; expected annual volatility 100%; risk-free interest rate 1.52%; market share price of \$0.65; and expected life of 1 year. Expected volatility was based on the volatility of similar companies.

On December 12, 2017, the Company received a promissory note from Nanalysis Corp. (“**Nanalysis**”) for advancing a principal amount of \$100,000 (the “**Convertible Note3**”). The purpose of the Convertible Note3 is to assist Nanalysis with a proposed business combination (the “**Transaction**”), with the combined entity after giving effect to the Transaction being the resulting issuer (the “**Resulting Issuer**”). The Convertible Note3 earns simple, non-compounding interest at a rate of 11% per annum. If the Transaction closes, the principal amount plus accrued interest shall be exchangeable into Resulting Issuer shares at a price of \$0.75 per unit, with each unit consisting of one common share of the Resulting Issuer and one share purchase warrant of the Resulting Issuer. Each warrant will entitle the Company to purchase one additional common share of the Resulting Issuer at \$1.00 per share for a period of twelve months from the date of issue. If the Transaction does not close, the principal amount plus accrued interest shall be due and payable in full on July 1, 2021.

Nanalysis will make equal monthly payments on the principal amount outstanding plus accrued interest on the first day of every month of each year, commencing on July 1, 2018. Nanalysis may at any time prepay the principal amount plus accrued interest thereon, in whole or in part without notice of penalty. Until the principal amount plus accrued interest is paid back, the Company, may, at its option from time to time, elect to have the unpaid principal amount plus accrued interest, or a portion thereof, repaid by Nanalysis by issuing class A common shares at a price of \$0.25 per share.

BRISIO INNOVATIONS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2018 and 2017

8. INVESTMENTS March 31, 2018

	Lite Access Technologies Inc.		Pioneering Technologies		Renoworks Software Inc.		NAMSYS Inc.		Allur Group		Total Telcom Inc.	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2018	319,099	\$ 462,694	1,021,300	\$ 868,105	137,000	\$ 30,140	120,000	\$ 76,800	523,332	\$ 78,500	340,000	\$ 105,400
Purchased	-	-	-	-	-	-	-	-	-	-	-	-
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	-	-	-	-	-	-	-	-	-	-	-	-
Warrants expired	-	-	-	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-
Realized gain (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss)	-	(73,393)	-	(459,585)	-	(4,110)	-	(16,800)	-	-	-	(34,000)
Balance, Mar 31, 2018	319,099	\$ 389,301	1,021,300	\$ 408,520	137,000	\$ 26,030	120,000	\$ 60,000	523,332	\$ 78,500	340,000	\$ 71,400

	Vigil Health Solutions		ImmunoPrecise Antibodies		ImmunoPrecise Antibodies – Warrants		Gatekeeper Systems Inc.		Gatekeeper Systems Inc. – Warrants		Innovotech Inc	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2018	750,000	\$ 525,000	1,650,000	\$ 990,000	650,000	\$ 196,229	750,000	\$ 97,500	375,000	\$ 3,597	287,000	\$ 416,15
Purchased	-	-	-	-	-	-	-	-	-	-	-	-
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	-	-	-	-	-	-	-	-	-	-	(175,000)	(26,375)
Warrants expired	-	-	-	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	650,000	195,000	(650,000)	-	-	-	-	-	-	-
Realized gain (loss)	-	-	-	188,500	-	-	-	-	-	-	-	13,040
Unrealized gain (loss)	-	(97,500)	-	(16,500)	-	(196,229)	-	(26,250)	-	(2,417)	-	(18,200)
Balance, Mar 31, 2018	750,000	\$ 427,500	2,300,000	\$ 1,357,000	-	\$ -	750,000	\$ 71,250	375,000	\$ 1,180	12,000	\$ 10,080

	Atlas Engineer Products Ltd.		Ironwood Capital		Total
	Number	Amount	Number	Amount	
Balance, Jan. 1, 2018	500,000	\$ 335,000	-	\$ -	\$ 3,810,580
Purchased	-	-	200,000	40,000	40,000
Converted	-	-	-	-	-
Proceeds from sale	-	-	-	-	(26,375)
Warrants expired	-	-	-	-	-
Warrants exercised	-	-	-	-	195,000
Realized gain (loss)	-	-	-	-	201,540
Unrealized gain (loss)	-	(130,000)	-	-	(1,074,984)
Balance, Mar 31, 2018	500,000	\$ 205,000	200,000	\$ 40,000	\$ 3,145,761

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8. INVESTMENTS (continued) December 31, 2017

	Lite Access Technologies Inc.		Intema Solutions Inc. – warrants		Renoworks Software Inc.		Allur Group		International Barrier Tech		Innovotech Inc.	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2017	331,499	\$ 623,218	2,000,000	\$ -	100,000	\$ 46,000	523,332	\$ 78,500	17,500	\$ 5,425	-	\$ -
Purchased	-	-	-	-	37,000	15,850	-	-	100,000	35,000	291,000	22,410
Converted	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(12,400)	(20,526)	-	-	-	-	-	-	(17,500)	(58,163)	(4,000)	(540)
Warrants expired	-	-	(2,000,000)	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-
Realized gain (loss)	-	17,962	-	-	-	-	-	-	-	17,423	-	231
Unrealized gain (loss)	-	(157,961)	-	-	-	(31,710)	-	-	-	315	-	19,513
Balance, Dec. 31, 2017	319,099	\$ 462,693	-	\$ -	137,000	\$ 30,140	523,332	\$ 78,500	-	\$ -	287,000	\$ 416,14

	NAMSYS Inc		ImmunoPrecise Antibodies		ImmunoPrecise Antibodies – Warrants		Gatekeeper Systems Inc.		Gatekeeper Systems Inc. – Warrants		Vigil Health Solutions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2017	100,000	\$ 65,000	1,000,000	\$ 1,290,000	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Purchased	20,000	12,000	-	-	-	-	750,000	150,000	375,000	-	750,000	340,905
Converted	-	-	650,000	806,000	650,000	748,198	-	-	-	-	-	-
Proceeds from sale	-	-	-	-	-	-	-	-	-	-	-	-
Warrants expired	-	-	-	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	-	-	-	-	-	-	-	-
Realized gain (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss)	-	(200)	-	(1,106,000)	-	(55,1967)	-	(52,500)	-	3,597	-	184,095
Balance, Dec. 31, 2017	120,000	\$ 76,800	1,650,000	\$ 990,000	650,000	\$ 196,231	750,000	\$ 97,500	375,000	\$ 3,597	750,000	\$ 525,000

	Total Telcom Inc		Atlas Engineer Products Ltd.		Pioneering Tech – shares		Pioneering Tech – warrants		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Jan. 1, 2017	-	\$ -	-	\$ -	665,500	\$ 658,845	600,000	\$ 447,347	-	\$ -
Purchased	340,000	74,010	500,000	200,000	-	-	-	-	-	850,175
Converted	-	-	-	-	-	-	-	-	-	1,554,198
Proceeds from sale	-	-	-	-	(244,200)	(246,476)	-	-	-	(325,705)
Warrants expired	-	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	600,000	150,000	(600,000)	-	-	150,000
Realized gain (loss)	-	-	-	-	-	203,538	-	-	-	239,154
Unrealized gain (loss)	-	31,390	-	135,000	-	102,198	-	(447,347)	-	(187,1577)
Balance, Dec. 31, 2017	340,000	\$ 105,400	500,000	\$ 335,000	1,021,300	\$ 868,105	-	\$ -	-	\$ 3,810,580

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8. INVESTMENTS (continued)

On March 7, 2018, the Company signed a definitive share purchase agreement (the “Definitive Agreement”) with NameSilo, LLC (“NameSilo”) whereby the Company has agreed to acquire all of the issued and outstanding securities of NameSilo (the “Transaction”).

Under the terms of the Definitive Agreement, the Company will acquire all of the securities of NameSilo and, in consideration of which, the Company will pay a total of US\$9,511,500 to the members of NameSilo (“NameSilo Members”). The closing of the Transaction is anticipated to be July 2, 2018.

Further, NameSilo Members will be entitled to certain earnout payments provided that the business achieves a specified EBITDA. All earnout payments will be made no later than August 15, 2018 and will be payable in cash and shares.

After completion of the Transaction, the Company intends to spin-out NameSilo as a separately listed entity on a Canadian stock exchange.

The Transaction is subject to customary conditions contained in the Definitive Agreement as well as approval of the stock exchange, and the Company completing sufficient financing to satisfy the purchase price. If the Company is unable to close the Transaction, the Company will be required to pay a break fee to NameSilo.

As of March 31, 2018, the Company has paid \$132,110 (US\$100,000) into the escrow account.

During the first quarter of 2018, the Company paid \$125,000 towards a future investment in Silo Technologies.

9. TRANSITION TO IFRS 9 – FINANCIAL INSTRUMENTS

The Company adopted IFRS 9 – Financial Instruments on January 1, 2018. The adoption of the standard was applied retrospectively and the opening balance sheet as of January 1, 2017 was adjusted.

On transition to IFRS 9, the Company’s financial assets were classified into the following categories:

- FVTPL – Cash and cash equivalents, convertible notes and investments
- FVOCI – None
- Amortized Cost – Accounts receivable

The only change in classification was to the Company’s investments which were previously classified as Available for Sale. Since the AFS classification already required the investments to be recorded on the balance sheet at fair value there was no adjustment to the carrying value of the investments. The change in classification will result in past and future unrealized gains and losses on the Company’s investments being recorded in profit and loss before tax instead of in other comprehensive income and loss net of tax. The accumulated unrealized gains and losses on the Company’s investments will be included in retained earnings/deficit instead of accumulated other comprehensive income/loss.

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9. TRANSITION TO IFRS 9 – FINANCIAL INSTRUMENTS (continued)

The only impact of the adoption to the transition balance sheet at January 1, 2017 was to transfer the balance of AOCI of \$2,269,855 to deficit resulting in a change to the deficit from \$19,169,999 to \$16,900,144.

The impact of the retrospective application of IFRS 9 resulted in the following adjustments to net income previously reported for the quarter ended March 31, 2017:

Net income previously reported	\$44,161
Change to DIT recovery	(86,301)
Unrealized gain on FVTPL	<u>663,857</u>
	621,717

The retrospective application also resulted in an increase to basic and diluted earnings per share of \$0.02 per share.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

	March 31, 2018		December 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of period	36,507,993	\$21,539,936	29,061,828	\$20,393,294
Transactions during the year:				
Private placement	5,000,000	1,000,000	5,332,834	799,925
Warrants exercised	9,375	2,344	1,838,331	275,750
Options exercised	-	-	275,000	70,967
Balance, end of period	41,517,368	\$22,542,280	36,507,993	\$21,539,936

On January 17, 2017, the Company closed a non-brokered private placement of 5,332,834 units at a price of \$0.15 per unit for gross proceeds of \$799,925. Each unit consists of one common share of the Company and one-quarter of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one addition share at a price of \$0.25 per share for a period of two years from the closing of the financing, subject to an acceleration provision whereby, in the event that the average closing price is equal to or greater than \$0.40 per share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the warrants to a date that is thirty days after the notice of completion of such period.

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10. SHARE CAPITAL (continued)

(b) Issued (continued)

During the first quarter of 2017, 1,838,331 warrants were exercised at \$0.15 per share for gross proceeds of \$275,750.

On September 6, 2017, the aggregate of 275,000 options were exercised for gross proceeds of \$37,500. The weighted average share price on the date of exercise is \$0.25 per share.

In January 2018, the Company closed a non-brokered private placement of 5,000,000 units at a price of \$0.20 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share at a price of \$0.30 per share for a period of two years from closing of the financing. In the event the average closing price is equal to or greater than \$0.45 per share for a period of twenty consecutive trading days, the Company may accelerate the expiry date of the warrants to a date that is thirty days after the notice of completion of such period.

In January 2018, 9,375 warrants were exercised at a price of \$0.25 for gross proceeds of \$2,344.

In the first quarter, the Company received \$36,000 for a private placement that has not closed yet.

(c) Stock options

The Company has a stock option plan in accordance with the policies on the Canadian Securities Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

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10. SHARE CAPITAL (continued)

(c) Stock options (continued)

A summary of the stock option activity is as follows:

	March 31, 2018		December 31, 2017	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	2,640,000	\$0.19	1,840,000	\$0.15
Granted	-	-	1,075,000	0.23
Expired/Cancelled	-	-	-	-
Exercised	-	-	(275,000)	(0.14)
Balance, end of period	<u>2,640,000</u>	<u>\$0.19</u>	<u>2,640,000</u>	<u>\$0.19</u>

As at March 31, 2018 and December 31, 2017, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
540,000	540,000	\$0.15	September 27, 2018
300,000	300,000	\$0.30	February 28, 2019
150,000	150,000	\$0.10	December 12, 2019
575,000	575,000	\$0.10	August 4, 2021
1,000,000	1,000,000	\$0.23	December 20, 2022
75,000	75,000	\$0.23	December 29, 2022
<u>2,640,000</u>	<u>2,640,000</u>		<u>3.20 years remaining</u>

On September 6, 2017, the aggregate of 275,000 options were exercised for gross proceeds of \$37,500

On December 20, 2017, the Company granted 1,000,000 stock options to officers and directors of the Company. The stock options were granted for a period of 5 years, expiring on December 20, 2022, and each stock option will allow the holder to purchase a common share of the Company at an exercise price of \$0.23. On December 29, 2017, the Company granted an additional 75,000 stock options with the same terms to an officer of the Company.

For the year ended December 31, 2017, \$238,789 (2016 - \$43,515) has been recorded as share-based payment relating to options granted and vested during the year. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0% (2016 - 0%) expected annual volatility 189.9% (2016 - 129%); risk-free interest rate 1.82% (2016 - 0.75%);

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10. SHARE CAPITAL (continued)

(c) Stock options (continued)

market share price of \$0.23 (2016 - \$0.10); forfeiture rate of 0% and expected life of 5 years (2016 – 5 years). Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

(d) Warrants

	March 31, 2018		December 31, 2017	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	1,333,208	\$0.25	1,838,331	\$0.15
Issued	2,500,000	0.30	1,333,208	0.25
Exercised	(9,375)	(0.25)	(1,838,331)	(0.15)
Expired/Cancelled	-	-	-	-
Balance, end of year	3,823,833	\$0.25	1,333,208	\$0.25

The outstanding warrants have a weighted average remaining life of 1.05 years.

During the first quarter of 2017, 1,838,331 warrants were exercised at \$0.15 per share for gross proceeds of \$275,750.

In January 2018, 9,375 warrants were exercised at \$0.25 per share for gross proceeds of \$2,344.

11. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Group for the three months ending March 31, 2018 and 2017 are:

March 31,	2018	2017
Compensation of key management:		
Management fees	\$18,000	\$ 18,000
Total	\$18,000	\$18,000

Paul Andreola, President and Director was paid or accrued management fees of \$7,500 (2017 - \$7,500) Colin Bowkett, Director was paid or accrued management fees of \$7,500 (2017 - \$7,500) and Scott MacEachern, Chief Financial Officer was paid or accrued management fees of \$3,000 (2017 - \$3,000).

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11. RELATED PARTY TRANSACTIONS (continued)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the three months ended March 31, 2018 and 2017.

12. SUBSEQUENT EVENTS

On May 18, 2018, the Company announced that it has closed the initial tranche of its previously announced non-brokered private placement financing (the "Financing") (see news release dated March 27, 2018) by issuing a total of 5,940,727 shares (each, a "Share") at a price of \$0.35 per Share for gross proceeds of \$2,083,466.

The securities issued under the initial tranche of the Financing will be subject to restrictions on resale until September 16, 2018. The Company paid finders a fee of \$101,237 and issued a total of 20,300 shares of the Company.

The proceeds of the initial tranche of the Financing are being used for the Company's acquisition of NameSilo LLC and working capital purposes.

NameSilo Acquisition Update

The Company is also pleased to announce that it has paid a total of US\$4.9 million to an escrow agent pursuant to the terms of the share purchase agreement with NameSilo LLC. The funds used for this escrow payment were through bridge loan financings of C\$5.25 million and utilizing the Company's cash on hand.

Closing of the acquisition remains subject to Canadian Securities Exchange approval. The Company plans to close the acquisition of NameSilo LLC in summer 2018.

Convertible Debenture

The Company also announces that it issued a convertible debenture in the principal amount of \$300,000. The debentures are secured on the assets of the Company, bear interest at a rate of 10% per annum, payable semi-annually and due eighteen months after closing. The debenture is convertible into common shares of the Company at a price of \$0.50 per share. Further, the holder received a total of 300,000 detachable share purchase warrants. The warrants are exercisable at a price of \$0.65 per share for a period of eighteen months from the date of issue. The proceeds of the convertible debenture were used to satisfy the payment for the NameSilo LLC acquisition as set forth above.