MICRON WASTE TECHNOLOGIES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(Unaudited – Prepared by Management)

MICRON WASTE TECHNOLOGIES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	Note	June 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash		$ 2,513,103	$ 33,095
Goods and Services Tax receivable		24,840	12,287
Total current assets		2,537,943	45,382
Non-current assets			
Property and equipment	3	3,790	4,284
Development assets	4	129,756	120,620
Deferred asset	5	400,000	-
Total assets		$ 3,071,489	$ 170,286
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 62,758	$ 124,078
Due to related parties	7	4,689	278,000
Total liabilities		67,447	402,078
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	3,745,228	100,000
Subscriptions receivable	6	(50,000)	-
Reserves	6	17,222	-
Deficit		(708,408)	(331,792)
Total shareholders' equity (deficiency)		3,004,042	(231,792)
Total liabilities and shareholders' equity (deficiency)		$ 3,071,489	$ 170,286

Approved on behalf of the Board:

Director   Director

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

MICRON WASTE TECHNOLOGIES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	Note	For the six months ended June 30, 2017	For the six months ended June 30, 2016	For the three months ended June 30, 2017	For the three months ended June 30, 2016
Expenses					
Amortization	3	$ 494	$ 745	$ 247	$ 372
Business development		8,459	-	8,520	-
Consulting fees	7	268,072	-	175,572	(35)
Office and miscellaneous		5,454	1,124	1,562	1,124
Professional fees	7	61,046	1,029	45,946	1,029
Rent	7	15,000	-	7,500	-
Repairs and maintenance		15,090	7,593	7,321	800
Shipping, freight and delivery		2,117	3,448	2,117	204
Supplies		884	1,930	543	1,291
Net loss and comprehensive loss		$ 376,616	$ 15,869	$ 249,328	$ 4,785
Loss per share, basic and diluted		$ 0.04	$ 0.00	$ 0.01	$ 0.00
Weighted average number of common shares outstanding		10,271,017	2,000,000	21,958,413	2,000,000

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

MICRON WASTE TECHNOLOGIES INC.

CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Share capital					
	Number of shares	**Amount**	**Subscriptions receivable**	**Warrant reserve**	**Deficit**	**Total**
Balance, December 31, 2015	2,000,000	$ 100,000	$ -	$ -	$ (58,891)	$ 41,109
Net and comprehensive loss	-	-	-	-	(15,869)	(15,869)
Balance, June 30, 2016	2,000,000	$ 100,000	$ -	$ -	$ (74,760)	$ 25,240
Balance, December 31, 2016	2,000,000	$ 100,000	$ -	$ -	$ (331,792)	$ (231,792)
Net and comprehensive loss	-	-	-	-	(376,616)	(376,616)
Units issued for cash	14,877,000	2,904,250	-	-	-	2,904,250
Units issued to settle debt	8,000,000	400,000	-	-	-	400,000
Units issued pursuant to patent acquisition	4,000,000	400,000	-	-	-	400,000
Subscriptions receivable	-	-	(50,000)	-	-	(50,000)
Unit issuance costs	-	(59,022)	-	17,222	-	(41,800)
Balance, June 30, 2017	28,877,000	$ 3,745,228	$ (50,000)	$ 17,222	$ (708,408)	$ 3,004,042

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

MICRON WASTE TECHNOLOGIES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	Six months ended June 30, 2017	June 30, 2016
Cash Provided By (Used In)		
Operating Activities		
Net loss and comprehensive loss for the period	$ (376,616)	$ (15,869)
Item not affecting cash:		
Amortization	494	247
Changes in non-cash working capital:		
Goods and Services Tax receivable	(12,553)	(1,260)
Accounts payable and accrued liabilities	38,680	2,273
Due to related parties	26,689	-
Net cash used in operating activities	(323,306)	(14,609)
Investing Activity		
Development assets	(9,136)	(21,255)
Net cash used in investing activity	(9,136)	(21,255)
Financing Activities		
Net proceeds from issuance of common shares	2,862,450	-
Subscription receivable	(50,000)	-
Advances from related party	-	30,000
Net cash provided by financing activities	2,812,450	30,000
Increase (decrease) in cash	2,480,008	(5,864)
Cash, beginning of period	33,095	29,841
Cash, end of period	$ 2,513,103	$ 23,977

Additional cash flow information (Note 8)

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

1. Nature of operations and going concern

Micron Waste Technologies Inc. (the “Company”) was incorporated as Effluent Water Technologies Inc. under the *Business Corporations Act* of British Columbia, Canada on July 20, 2015. On November 15, 2016, the Company changed its name to Micron Waste Technologies Inc. The head office, principal address and records office of the Company are located at Suite 915 – 700 West Pender Street, Vancouver, British Columbia, V6C 1G8.

The principal business of the Company is to offer and deliver integrated, cost effective and environmentally sound organic waste management systems to food retailers in Canada. The Company has developed a patented technology that transforms organic waste into clean water that meets municipal effluent discharge standards.

On June 2, 2017, the Company entered into an Amalgamation Agreement (the “Agreement”) with Finore Mining Inc. (“Finore”), which trades on the Canadian Stock Exchange (the “CSE”) under the trading symbol “FIN”. The Agreement is structured as a three-cornered amalgamation whereby the Company will amalgamate with a newly incorporated British Columbia subsidiary of Finore, and all the issued and outstanding shares of the Company will be exchanged for common shares of Finore with the Company becoming a subsidiary of Finore (the “Proposed Transaction”). Following the completion of the Proposed Transaction all of the securityholders of the Company will become security holders of Finore. The acquisition will be accounted for as a reverse takeover, whereby the Company will be identified as the acquirer for accounting purposes. The Proposed Transaction is subject to, among other things, approval of the shareholders of the Company, approval of the CSE and standard closing conditions.

These condensed interim financial statements (“Financial Statements”) have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon generating profitable operations. There can be no assurance that management’s plan will be successful.

The Company's future capital requirements will depend on many factors, including the costs of developing its systems, operating costs, the current capital market environment and global market conditions. As at June 30, 2017, the Company has a working capital of $2,470,496 (December 31, 2016 – a working capital deficiency of $356,696) and a cumulative deficit of $708,408 (December 31, 2016 - $331,792). Consequently, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. Significant accounting policies

<u>Statement of compliance</u>

The Financial Statements of the Company have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The Financial Statements of the Company should be read in conjunction with the Company’s 2016 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

2. Significant accounting policies (Continued)

The Financial Statements have been prepared using accounting policies consistent with those used in the Company's 2016 annual financial statements.

The Financial Statements of the Company for the six months ended June 30, 2017, were authorized for issue on September 25, 2017 by the Board of Directors of the Company.

The Financial Statements of the Company have been prepared on the historical cost basis, except for certain financial instruments, which are stated at their fair values. These Financial Statements are prepared on an accrual basis, except for cash flow information. The Company's functional and presentation currency is the Canadian dollar.

<u>New and revised IFRS issued but not yet effective</u>

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC") that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. Management is currently evaluating the impact of these standards.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

2. Significant accounting policies (Continued)

New and revised IFRS issued but not yet effective (Continued)

IFRS 9 *Financial Instruments* (continued)

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

This standard is effective to the Company's annual period beginning January 1, 2018.

IFRS 15 *Revenue from Contracts with Customers*

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, 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 main features introduced by this new standard compared with predecessor IFRS are as follows:

- Revenue is recognized based on a five-step model:
  1. Identify the contract with customer;
  2. Identify the performance obligations;
  3. Determine the transaction price;
  4. Allocate the transaction price to the performance obligations; and,
  5. Recognize revenue when (or as) the performance obligations are satisfied.
- New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective to the Company's annual period beginning January 1, 2018.

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.

(EXPRESSED IN CANADIAN DOLLARS)

2. Significant accounting policies (Continued)

New and revised IFRS issued but not yet effective (Continued)

IFRS 16 *Leases* (continued)

- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

This standard is effective to the Company's annual period beginning January 1, 2019.

3. Property and equipment

	Furniture	Computer equipment	Total
Cost			
Balance at December 31, 2015	$ 4,116	$ 1,932	$ 6,048
Additions	-	428	428
Balance at December 31, 2016	4,116	2,360	6,476
Additions	-	-	-
Balance at June 30, 2017	$ 4,116	$ 2,360	$ 6,476
Accumulated Amortization			
Balance at December 31, 2015	$ 411	$ 290	$ 701
Amortization expense	741	750	1,491
Balance at December 31, 2016	1,152	1,040	2,192
Amortization expense	296	198	494
Balance at June 30, 2017	$ 1,448	$ 1,238	$ 2,686
Carrying Amounts			
December 31, 2016	$ 2,964	$ 1,320	$ 4,284
June 30, 2017	$ 2,668	$ 1,122	$ 3,790

(EXPRESSED IN CANADIAN DOLLARS)

4. Development assets

Development assets comprise tangible assets, which the Company has developed, that transforms organic waste into clean water and meets municipal effluent discharge standards.

Cost		
Balance at December 31, 2015	$	56,877
Additions		63,743
Balance at December 31, 2016		120,620
Additions		9,136
Balance at June 30, 2017	$	129,756
Carrying Amounts		
December 31, 2016	$	120,620
June 30, 2017	$	129,756

No amortization has been recognized to date as the development assets are not available for use.

5. Deferred asset

On May 1, 2017, the Company entered into an agreement to acquire a patent, developed by a director of the Company, by issuing 4,000,000 units at $0.10 per unit for a total fair value of $400,000 (note 6). The Company has not yet received the approved patent; therefore, it is included in deferred asset.

6. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

There were no common shares issued during the year ended December 31, 2016.

On April 13, 2017, the Company issued 3,250,000 units at a price of $0.05 per unit for net proceeds of $162,500. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil using the residual value method.

On the same date, the Company issued 8,000,000 units at $0.05 per unit to settle due to related party amounts of $300,000 and accrued liabilities of $100,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil.

On May 1, 2017, the Company issued 4,000,000 units at a price of $0.10 per unit to acquire the patent, developed by a director of the Company for a total fair value of $400,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil.

(EXPRESSED IN CANADIAN DOLLARS)

6. Share capital (Continued)

On May 1, 2017, the Company issued 1,100,000 units at a price of $0.10 per unit for proceeds of $110,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 for a period of two years from the issuance date. These warrants were allocated a fair value of $nil using the residual value method.

On June 1, 2017, the Company closed a private placement for 10,527,000 units of the Company at a price of $0.25 per unit for net proceeds of $2,589,950. The units are comprised of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of two years at an exercise price of $0.50. These warrants were allocated a fair value of $nil using the residual value method. In connection with the private placement, finders' fees of $41,800 and 167,200 warrants with a fair value of $17,222 were issued to a third party. Subscriptions receivable of $50,000 were collected subsequent to year-end.

As at June 30, 2017, there were 28,877,000 (December 31, 2016 - 2,000,000) common shares issued and outstanding.

Warrants

Share purchase warrants outstanding as at June 30, 2017 and December 31, 2016 are as follows:

	Warrants outstanding	Weighted average exercise price	Weighted average number of year to expiry
Balance at December 31, 2016 and 2015	-		
Granted	27,044,200		
Balance at June 30, 2017	27,044,200	$ 0.30	3.04

The fair value of the agent warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

	June 30, 2017
Expected life in years	2
Volatility	110.00%
Risk free rate	0.70%
Dividend yield	0.00%

(EXPRESSED IN CANADIAN DOLLARS)

6. Share capital (Continued)

Details of warrants outstanding as at June 30, 2017 are as follows:

Outstanding and Exercisable	Exercise price	Expiry Date
11,250,000	$ 0.25	April 13, 2022
4,000,000	$ 0.25	May 1, 2022
1,100,000	$ 0.25	May 1, 2019
10,694,200	$ 0.50	June 1, 2019
27,044,200	$ 0.35	

7. Related party transactions

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest-bearing and have no specific terms for repayment. These transactions are in the normal course of operations and recorded in these Financial Statements at the fair value of services performed.

As at June 30, 2017, $4,689 (December 31, 2016 - $278,000) was due to directors and officers of the Company.

		June 30, 2017		December 31, 2016
Amount due to a company with directors in common	$	-	$	275,000
Company controlled by CFO		4,689		3,000
	$	4,689	$	278,000

During the six months ended June 30, 2017, the Company settled $300,000 related party payables through the issuance of 6,000,000 units of the Company at $0.10 per unit (note 6). Each unit comprised one common share and one warrant to purchase common shares of the Company at $0.25 for five years.

During the six months ended June 30, 2017 and 2016, the Company entered into the following transactions with related parties:

		June 30, 2017		June 30, 2016
Consulting fees	$	233,810	$	-
Professional fees		8,472		-
Rent		15,000		-
	$	257,282	$	-

The above consulting fees and rent were charged by Bullrun Capital Inc., Protechnol Biotech Inc., Health Strategy Group Inc. and Zara Kanji and Associates, companies with common directors and officers of the Company. The above professional fees were charged by Zara Kanji and Associates.

(EXPRESSED IN CANADIAN DOLLARS)

8. Additional cash flow information

During the six months ended June 30, 2017 and 2016, the Company incurred non-cash financing and investing activities as follows:

		June 30, 2017		June 30, 2016
Non-cash investing activities:				
Shares issued for patent acquisition	$	400,000	$	-
Non-cash financing activities:				
Fair value of agent warrants granted	$	17,222	$	-
Shares issued for debt settlement	$	400,000	$	-

9. Capital management

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its projects and products; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets.

10. Financial instruments and risk management

<u>Fair value of financial instruments</u>

The Company records certain financial instruments measured at fair value by level within the fair value hierarchy described in the annual audited financial statements. Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

<u>Financial instrument risks</u>

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding its cash in large Canadian financial institutions.

10. Financial instruments and risk management (Continued)

Financial instrument risks (Continued)

b) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Any interest earned on cash is at nominal interest rates, and therefore the Company does not consider interest rate risk to be significant.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due.

As at June 30, 2017, the Company had cash of $2,513,103 (December 31, 2016 - $33,095) and working capital of $2,470,496 (December 31, 2016 - working capital deficiency of $356,696). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt. The Company is able to settle accounts payable and accrued liabilities of $62,758 and due to related parties of $4,689, which fall due for payment within twelve months of the condensed interim statement of financial position date.

d) Currency risk

Currency risk is the risk to the Company's expenses that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. At June 30, 2017 and December 31, 2016, the Company’s cash and accounts payables are held in Canadian dollars, and accordingly, the Company is not exposed to foreign currency risk.

e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

11. Subsequent events

On Sept 19, 2017, the Company entered into a five-year lease agreement for premises in Delta, British Columbia, effective January 1, 2018. The minimum base rent is $58,146 per annum for the first three years and $60,789 for the last two years.