MICRON WASTE TECHNOLOGIES INC.
(FORMERLY FINORE MINING INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying condensed consolidated interim financial statements of Micron Waste Technologies Inc. (formerly Finore Mining Inc.) for the nine months ended September 30, 2017 and 2016 have been prepared by management and approved by the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

MICRON WASTE TECHNOLOGIES INC.
(FORMERLY FINORE MINING INC.)
Unaudited Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	September 30, 2017	December 31, 2016
ASSETS			
Current			
Cash		$ 2,798,013	$ 3,140,798
Accounts receivables		2,310	23,762
Prepaid expenses	4	21,519	179,443
Asset held for sale	5	255,321	370,313
Total Current Assets		3,077,163	3,714,316
Equipment		-	1,793
TOTAL ASSETS		$ 3,077,163	$ 3,716,109
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	10	$ 66,966	$ 161,483
Accounts payable for asset held for sale	5	16,537	-
Total Current Liabilities		83,503	161,483
Shareholders' Equity			
Share capital	7	21,135,663	21,067,216
Reserves	7	2,147,350	2,149,757
Deficit		(20,289,353)	(19,662,347)
Total Shareholders' Equity		2,993,660	3,554,626
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 3,077,163	$ 3,716,109

Nature of Operations and Going Concern 1

Approved and authorized for issue by the Board of Directors on November 28, 2017.

"Rav Mlait"	*"Kal Malhi"*
Rav Mlait, Director	Kal Malhi, Director

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

MICRON WASTE TECHNOLOGIES INC.
(FORMERLY FINORE MINING INC.)
Unaudited Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
General and Administrative Expenses					
Consulting fees	10	$ 41,484	$ 29,152	$ 133,702	$ 61,709
Office and general		10,100	141	33,176	1,039
Marketing		16,375	-	75,375	-
Professional fees		35,347	-	69,346	-
Transfer agent and filing fees		4,783	10,158	23,433	18,185
Loss from operations		108,089	39,451	335,032	80,933
Foreign exchange loss (gain)		20,140	(3,558)	27,249	(8,580)
Project investigation	6	-	-	140,029	-
Loss and comprehensive loss from continuing operations		128,229	35,893	502,310	72,353
Loss and comprehensive loss from discontinued operations	5	-	498,386	124,696	583,157
Loss and comprehensive loss for the period		$ 128,229	$ 534,279	$ 627,006	$ 655,510
Basic and diluted loss per share – Continuing operations		$ 0.00	$ 0.00	$ 0.01	$ 0.00
Basic and diluted loss per share – Discontinued operations		$ 0.00	$ 0.01	$ 0.00	$ 0.02
Weighted average number of common shares outstanding		62,773,521	35,511,153	62,670,633	29,149,675

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

MICRON WASTE TECHNOLOGIES INC.
(FORMERLY FINORE MINING INC.)
Unaudited Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Option Reserve	Warrant Reserve	Share Subscription	Deficit	**Total**
Balance – December 31, 2015	**25,493,653**	**$ 16,981,663**	**$ 1,517,174**	**$ 322,875**	**$ -**	**$ (18,325,408)**	**$ 496,304**
Shares issued – private placement	10,000,000	200,000	-	-	-	-	200,000
Shares issued – finders' fees	17,500	634	-	-	-	-	634
Shares issued costs	-	(634)	-	-	-	-	(634)
Net loss for the period	-	-	-	-	-	(655,510)	(655,510)
Balance – September 30, 2016	**35,511,153**	**$ 17,181,663**	**$ 1,517,174**	**$ 322,875**	**$ -**	**$ (18,980,918)**	**$ 40,794**

	Number of Shares	Share Capital	Option Reserve	Warrant Reserve	Share Subscription	Deficit	**Total**
Balance – December 31, 2016	**61,723,021**	**$ 21,067,216**	**$ 1,638,432**	**$ 511,325**	**$ -**	**$ (19,662,347)**	**$ 3,554,626**
Share issued – warrants exercised	450,500	36,040	-	-	-	-	36,040
Share issued – options exercised	600,000	32,407	(2,407)	-	-	-	30,000
Share issued costs	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(627,006)	(627,006)
Balance – September 30, 2017	**62,773,521**	**$ 21,135,663**	**$ 1,636,025**	**$ 511,325**	**$ -**	**$ (20,289,353)**	**$ 2,993,660**

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

MICRON WASTE TECHNOLOGIES INC.
(FORMERLY FINORE MINING INC.)
Unaudited Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Operating Activities		
Net loss for the period from continuing operations	$ (502,310)	$ (72,353)
Non-cash items included in net loss	-	-
Changes in non-cash working capital		
(Increase)/decrease in accounts receivable	19,918	(2,659)
(Increase)/decrease in prepaid expenses	154,234	-
Increase/(decrease) in accounts payable and accrued liabilities	(76,906)	(51,563)
Operating cash flows from continuing operations	(405,064)	(126,575)
Operating cash flows from discontinued operations (Note 5)	758	(46,467)
Net cash used in operating activities	(404,306)	(173,042)
Investing Activity		
Investing cash flows from continuing operations	-	-
Investing cash flows from discontinued operations (Note 5)	-	(60,137)
Net cash used in investing activities	-	(60,137)
Financing Activities		
Proceeds from issuance of shares	-	200,000
Proceeds from warrants exercised	36,040	-
Proceeds from options exercised	30,000	-
Net cash used in financing activities from continued operations	66,040	200,000
Foreign exchange effect on cash	(4,519)	(1,183)
Decrease in cash and cash equivalents	(342,785)	(34,362)
Cash and cash equivalents, beginning of period	3,140,798	32,050
Cash and cash equivalents, end of period	$ 2,798,013	$ (2,312)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Micron Waste Technologies Inc., formerly Finore Mining Inc., (the "Company", "Micron" or "Finore"), was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company's principal business activity has been the exploration of exploration and evaluation assets. On September 26, 2011, the Company changed its name from Otterburn Ventures Inc. to Finore Mining Inc. and the Company's common shares began trading on the Canadian National Stock Exchange, now known as Canadian Securities Exchange ("CSE") under the new symbol of "FIN." Effective January 1, 2014, the Company ceased trading on the OTC market.

The head office, principal address and registered office of the Company are located at Suite 915, 700 West Pender Street, Vancouver, B.C., V6C 1G8.

On June 2, 2017, Finore and Micron Waste Technologies Inc. ("Micron Waste") entered into an Amalgamation Agreement ("Agreement"). Micron Waste was incorporated on July 20, 2016 under the name "Effluent Water Technologies Inc." under the *Business Corporations Act*, British Columbia. On November 15, 2016, it changed its name to "Micron Waste Technologies Inc.". The Agreement was structured as a three-cornered amalgamation whereby Micron Waste was amalgamated with a newly incorporated British Columbia subsidiary of Finore and all the issued and outstanding shares of Micron Waste (the "Micron Shares") were exchanged for common shares of the Company (the "Finore Shares") with Micron Waste becoming a subsidiary of Finore.

On October 19, 2017, the Company completed its amalgamation transaction (the "Transaction") with Micron Waste. Upon completion of the Transaction, Finore completed a consolidation of the Finore Shares (the "Consolidation") on the basis of one post-consolidated Finore Share (the "Resulting Issuer Share") for every two pre-consolidation Finore Shares and changed its name from "Finore Mining Inc." to "Micron Waste Technologies Inc." The shareholders of Micron Waste received one Resulting Issuer Share for each Micron Share. The Company's common shares began trading on the CSE on October 26, 2017 under the new symbol of "MWM".

After the completion of the Transaction on October 19, 2017, the Company changed its name from Finore Mining Inc. to Micron Waste Technologies Inc. Micron Waste which was amalgamated with the newly incorporated British Columbia subsidiary, changed its name to the name of the subsidiary, 1119555 B.C. Ltd. Subsequently, 1119555 B.C. Ltd. will be changed to Micron Technologies Holdings Inc.

Upon the completion of the Consolidation, 62,773,521 of Finore Shares were consolidated into 31,386,765 Resulting Issuer Shares. Pursuant to the Transaction, the Company issued to the shareholders of Micron Waste an aggregate of 28,877,000 Resulting Issuer Shares. On October 19, 2017, the Company had 60,263,765 Resulting Issuer Shares issued and outstanding, without giving effect to:

(1) warrants to purchase 27,044,200 Resulting Issuer Shares pursuant to the outstanding common share warrants of Micron Waste (including 167,200 finders' warrants);
(2) warrants to purchase 17,404,870 Resulting Issuer Shares pursuant to the outstanding common share purchase warrants of the Issuer (the result of consolidating 34,809,739 Issuer warrants on the basis of one Resulting Issuer warrant for every two pre-consolidation Issuer warrants held.)
(3) options to purchase 500,000 Resulting Issuer Shares pursuant to the outstanding stock option of the Issuer (the result of consolidating 1,000,000 Issuer options on the basis of one Resulting Issuer option for every two pre-consolidation Issuer options held).

The Transaction constituted a reverse takeover by Micron Waste.

Prior to the Transaction, the Company was a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. The Company was primarily engaged in the exploration for, and the development of, mineral properties with gold, copper, nickel, and other minerals.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

After the Transaction, the Company takes on the business of Micron Waste and carries on as a technology company engaged in the development and commercialization of an on-site treatment system that can turn organic waste into clean water that meets municipal effluent discharge standards.

The Company had a working capital of $2,993,660 as at September 30, 2017 and an accumulated deficit of $20,289,353 (December 31, 2016 – 3,552,833 working capital and an accumulated deficit of $19,662,347). These condensed consolidated interim financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. Management anticipates that the Company will continue to raise adequate funding through equity or debt financings. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. The Company estimates it will have sufficient capital to continue operations for the upcoming year.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with international Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies and methods of applications as the most recent audited financial statements for the year ended December 31, 2016, except that they do not include all the disclosures required for the annual audited financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements for the Company for the year ended December 31, 2016.

The condensed consolidated interim financial statements for the period ended September 30, 2017 were approved and authorized for issuance by the Board of Directors on November 28, 2017.

Basis of Consolidation

These condensed consolidated interim financial statements comprise the accounts of the parent company and its subsidiary, after the elimination of all material intercompany balances and transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the same accounting policies and methods of computation in its condensed consolidated interim financial statements as in its audited consolidated financial statements for the year ended December 31, 2016, except for those that relate to new standards and interpretations effective for the first time for periods beginning on or after January 1, 2017, and will be adopted in the 2017 annual financial statements.

Standards, Amendments and Interpretations Effective for annual periods beginning on or after January 1, 2017

Amended standard IAS 7, Statement of Cash Flows
The amendments to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities.

Amended standard IFRS 10, Consolidated Financial Statements
The amendments deal with the sale or contribution of assets between an investor and its associate or joint venture.

Amended standard IAS 12, Income Taxes
The amendments to clarify the recognition of a deferred tax asset for unrealized losses.

Amended standard IAS 28, Investments in Associate and Joint Venture
The amendments deal with the sale or contribution of assets between an investor and its associate or joint venture.

None of the new standards and amendments that are effective for the first time for periods beginning on or after January 1, 2017 have a material effect on the Company.

Use of Estimates and Judgements

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

Following are the accounting polices subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position.

Assets held for sale and discontinued operations

Judgment is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated statements of financial position. Criterial considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected timeframe of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell.

(Expressed in Canadian Dollars, unless stated otherwise)

4. PREPAID EXPENSES

	September 30, 2017		December 31, 2016	
Advertising and promotions	$	4,584	$	64,958
Accounting and legal		2,314		67,749
Office and general		2,325		-
Professional fees		6,875		2,556
Transfer agent and filing fees		5,421		40,490
Other prepaids		-		3,690
Total prepaid expenses	$	21,519	$	179,443

5. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company signed a Share Purchase Agreement (the "SPA") on January 31, 2017 with Nickel One Resources Inc. ("Nickel One"), a public company listed on the TSX Venture Exchange (the "TSX-V"), in connection with the acquisition by Nickel One of all of the issued and outstanding shares of Nortec Minerals Oy ("NMO"). NMO holds a 100% interest in the Lantinen Kollismaa Platinum Group Element-Copper project (the "LK Project") located in north-central Finland.

Pursuant to the SPA, Nickel One will issue to Finore 5,000,000 common shares in the capital of Nickel One and will issue 2,500,000 common share purchase warrants exercisable to acquire 2,500,000 additional common shares of Nickel One at a price of $0.12 per share for a period of 24 months from the closing of the SPA.

Most of the closing conditions of the SPA, including, completion of due diligence, the negotiation and signing of a definitive agreement, obtaining the approval of the respective boards, have been facilitated and met. The transaction remains subject to the approval of the TSX-V.

The exploration and evaluation assets were reclassified to assets held for sale as of December 31, 2016. During the nine months ended September 30, 2017, the Company incurred an additional $58,500 of expenditures on the LK Property. These expenditures were reimbursed directly by Nickel One to NMO during the period. The Company also assessed the fair value less costs to sell and accordingly wrote down the carrying value from $370,313 at December 31, 2016 to $238,784 ($255,321 less $16,537 liabilities associated with the asset held for sale), recognizing an impairment loss of $131,529 which was partially offset by an impairment recovery in the amount of $7,670 resulting in a net impairment loss of $123,859.

The reclassified assets held for sale also meet the criteria for discontinued operations. Accordingly, the results of such operations are presented separately as discontinued operations in the condensed consolidated statements of operations and comprehensive loss and statement of cash flows for the current and comparative periods.

(Expressed in Canadian Dollars, unless stated otherwise)

5. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

The loss and comprehensive loss from the discontinued operations is comprised of the following:

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2017	2016	2017	2016
Operating Expenses					
Exploration costs[(1)] [(2)]		$ -	$ -	$ -	$ -
Other expenses					
Foreign exchange loss (gain)		-	1,183	837	1,183
Impairment loss of assets held for sale	5	-	497,203	123,859	581,974
Loss and comprehensive loss for discontinued operations		$ -	$ 498,386	$ 124,696	$ 583,157

(1) Exploration costs were capitalized in 2016.
(2) During the nine months ended September 30, 2017, the Company incurred an additional $58,500 of expenditures on the LK Property. These expenditures were reimbursed directly by Nickel One to NMO during the period.

(Expressed in Canadian Dollars, unless stated otherwise)

5. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

The cash flows from the discontinued operations for the nine months ended September 30, are as follows:

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Operating Activities		
Net loss for the period	$ (124,696)	$ (583,157)
Non-cash items included in net loss		
Impairment of asset held for sale	123,859	581,974
Unrealized foreign exchange loss (gain)	2,676	1,183
Changes in non-cash working capital		
(Increase)/decrease in accounts receivable	142	216
(Increase)/decrease in prepaid expenses	(149)	670
Increase/(decrease) in accounts payable and accrued liabilities	(1,074)	(47,353)
Operating cash flows from discontinued operations	758	(46,467)
Investing Activity		
Exploration and evaluation assets	-	(60,137)
Investing cash flows from discontinued operations	-	(60,137)
Financing Activities		
Net cash provided by financing activities	-	-
Effect of exchange rate fluctuations on cash held	(837)	(1,183)

(Expressed in Canadian Dollars, unless stated otherwise)

6. PROJECT INVESTIGATION

Kushtown USA LLC Transaction

On January 25, 2017, the Company entered into a Share Exchange Agreement ("SEA") with Kushtown USA, LLC ("Kushtown") a private California limited liability company, engaged in the business of producing cannabis infused edible products, and the members of Kushtown, pursuant to which, the Company would acquire all of the issued and outstanding membership interests of Kushtown.

On March 15, 2017, the Company announced the mutual termination of the SEA. The costs associated with this transaction were reclassified to project investigation expenses.

7. SHARE CAPITAL AND RESERVES

a) Share capital

Authorized: Unlimited common shares without par value.

Issued and Outstanding:

	Common Shares
Common shares outstanding at December 31, 2016	**61,723,021**
Exercise of warrants	450,500
Exercise of options	600,000
Common shares outstanding at September 30, 2017	**62,773,521**

(Expressed in Canadian Dollars, unless stated otherwise)

7. SHARE CAPITAL AND RESERVES (continued)

b) Share Purchase Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2016	35,260,239	$ 0.18
Exercised	(450,500)	0.08
Balance at September 30, 2017	34,809,739	$ 0.18

As at September 30, 2017, the Company had the following warrants outstanding:

Date of Expiry	Number of Warrants Outstanding	Exercise Price 1st Year	Exercise Price 2nd Year	Exercise Price 3rd Year	Weighted Average Remaining Life in Years
June 4, 2018	8,656,925	$ 0.08	$ 0.08	$ 0.10	0.68
November 8, 2018	15,042,744	0.25	0.25	-	1.11
December 9, 2018	5,280,070	0.40	0.40	-	1.19
June 22, 2019	5,830,000	0.05	0.05	0.10	1.73
Balance at September 30, 2017	34,809,739				1.12

c) Stock Options

The Company has a stock option plan (the "Stock Option Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

The changes in stock options outstanding are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2016	1,600,000	$ 0.11
Exercised	(600,000)	0.05
Balance at September 30, 2017	1,000,000	$ 0.15

(Expressed in Canadian Dollars, unless stated otherwise)

7. SHARE CAPITAL AND RESERVES (continued)

c) Stock Options (continued)

As at September 30, 2017, the Company had the following stock options outstanding and exercisable:

Date of Grant	Date of Expiry	Number Outstanding and Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
October 4, 2016	October 4, 2018	1,000,000	$ 0.15	1.01

The Company uses the Black-Scholes option pricing model to determine the fair value of the options granted with the following weighted average assumption:

	Year Ended December 31, 2016
Dividend rate	0%
Risk-free interest rate	0.55%
Expected life	2
Expected volatility	449.82%

There were no stock options granted during the six months ended September 30, 2017.

The fair value of the options granted and vested on October 4, 2016 as determined by the Black-Scholes pricing model was $239,608.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

(a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding demand deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(c) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euros and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar, the US dollar and the European Euro. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

As at September 30, 2017 and 2016, the Company's US dollars and European Euros denominated monetary assets and liabilities are as follows:

	September 30, 2017		September 30, 2016	
Monetary Assets				
Cash	EURO €	2,491	EURO €	91
	USD$	405,210	USD$	-
Receivables	EURO €	951	EURO €	775
Monetary Liabilities				
Account payables and accrued liabilities	USD $	84	USD $	4,116
	EURO €	11,218	EURO €	33,180

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

(e) Management of Capital

Capital comprises the Company's shareholders equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues or cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(Expressed in Canadian Dollars, unless stated otherwise)

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

(e) Management of Capital (continued)

There were no changes in the Company's approach to capital management during the nine-month period ended September 30, 2017. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company classified its financial instruments as follow:

	Financial Assets	**Loans and Receivables**	**Financial Liabilities**
	Fair Value Through Profit or Loss	Measured at Amortized Cost	Measured at Amortized Cost
September 30, 2017			
Cash and cash equivalents	$ 2,798,013	$ -	$ -
Accounts receivable	-	2,310	-
Accounts payable and accrued liabilities	-	-	(66,966)
Accounts payable for the asset held for sale	-		(16,537)
	$ 2,798,013	$ 2,310	$ (83,503)

Fair Value
The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value due to the short-term nature of these instruments.

(Expressed in Canadian Dollars, unless stated otherwise)

10. RELATED PARTY TRANSACTIONS

Key management personnel include senior officers and directors of the Company.

Compensation to key management personnel is as follows:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Consulting fees – key management personnel	$ 81,000	$ 24,000

Other related party compensation is as follows:

	Nine Months Ended September 30, 2017	Six Months Ended September 30, 2016
Consulting fees – other(1)	$ 5,238	$ 12,750
Rent(2)	16,000	-
	$ 21,238	$ 12,750

Accounts payables and accrued liabilities of the Company include the following amounts due to related parties:

	September 30, 2017	September 30, 2016
Key management personnel	$ 5,300	$ 100,280
Other related parties	-	65,506
	$ 5,300	$ 165,786

(1) Fees paid to a partnership which a senior officer is a partner.
(2) Fees paid to a company which a senior officer and director are principals.

11. SUBSEQUENT EVENTS

On October 19, 2017, the Company completed its previously announced acquisition (Note 1).

On October 25, 2017, it has granted 3,825,000 stock options to purchase 3,825,000 common shares in the capital of the Company to directors, officers, employees and contractors of the Company pursuant to the Company's stock option plan. The options are exercisable at a price of $0.30 per share for a period of five years.