AILERON VETURES LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the entity's auditor.

Aileron Ventures Limited
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - unaudited)

	September 30, 2016	December 31, 2015
Assets		
Current		
Cash	$ 63,586	$ 3,585
Total Assets	63,586	3,585
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	$ 26,491	$ 5,500
Demand loan (Note 4)	52,000	-
Due to affiliates (Note 5)	79,144	67,335
	157,635	72,835
Shareholders' Equity		
Share capital (Note 6)	27,770	27,770
Subscriptions received (Note 6)	24,000	-
Stock option reserve (Note 6)	2,561	-
Deficit	(148,380)	(97,020)
	(94,049)	(69,250)
Total Liabilities and Shareholders' Equity	$ 63,586	$ 3,585

Nature of Operations and Ability to Continue As a Going Concern (Note 1)

Approved on behalf of the board

"Simon Clark"
Simon Clark, President and Director

"Christopher Reid"
Christopher Reid, CFO and Director

See accompanying notes to the condensed interim financial statements

Aileron Ventures Limited
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Operating expenses				
General and administrative	$ 8,491	$ 1,896	$ 14,468	$ 9,013
Consulting fees	14,000	-	14,000	-
Stock based compensation (Note 6)	2,561	-	2,561	-
Professional fees	20,331	-	20,331	500
Net loss	(45,383)	(1,896)	(51,360)	(9,513)
Unrealized loss on investment	-	-	-	(9,250)
Net loss and comprehensive loss	$ (45,383)	$ (1,896)	$ (51,360)	$ (18,763)
Loss per share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding – basic and diluted	9,664,155	9,664,155	9,664,155	9,664,155

See accompanying notes to the condensed interim financial statements

Aileron Ventures Limited
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars - unaudited)

	Number of shares	Share capital	Subscriptions Received	Stock Option Reserve	Deficit	Total
Balance, January 1, 2015	9,664,155	$ 27,770	$ 27,770	$ 27,770	$ (72,757)	$ (44,987)
Net loss for the period	-	-	-	-	(18,763)	(18,763)
Balance, September 30, 2015	**9,664,155**	**$ 27,770**	**$ 27,770**	**$ 27,770**	**$ (91,520)**	**$ (63,750)**
Balance, January 1, 2016	9,664,155	$ 27,770	$ -	$ -	$ (97,020)	$ (69,250)
Subscriptions received	-	-	24,000	-	-	24,000
Stock options issued	-	-	-	2,561	-	2,561
Net loss for the period	-	-	-	-	(51,360)	(51,360)
Balance, September 30, 2016	**9,664,155**	**$ 27,770**	**$ 24,000**	**$ 2,561**	**$ (148,380)**	**$ (94,049)**

See accompanying notes to the condensed interim financial statements

Aileron Ventures Limited
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (51,360)	$ (18,763)
Items not affecting cash:		
Stock based compensation	2,561	-
Unrealized loss on investment	-	9,250
Change in operating working capital:		
Increase (Decrease) in accounts payable and accrued liabilities	20,991	(5,500)
Net cash flows used in operating activities	(27,808)	(15,013)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	52,000	-
Share subscriptions received	24,000	-
Advances from affiliates, net	11,809	17,067
Net cash flows provided by financing activities	87,809	17,067
Increase (decrease) in cash	60,001	2,054
Cash, beginning of period	3,585	1,531
Cash, end of period	$ 63,586	$ 3,585

See accompanying notes to the condensed interim financial statements

1. Nature Of Operations And Ability To Continue As A Going Concern

Aileron Ventures Limited (the "Company"), formerly 1539467 Alberta Ltd., was incorporated on May 31, 2010 under the *Business Corporations Act* (Alberta).

The address, and principal place of business of the Company is Suite 400, 2424 - 4th Street SW, Calgary, Alberta, Canada, T2S 2T4.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate to the carrying values and classifications of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

At September 30, 2016, the Company had not yet achieved profitable operations, and recorded a net loss during the nine months ended September 30, 2016 of $51,360 (2015 - $18,763), has a working capital deficiency of $94,049 (December 31, 2015 - $69,250), has accumulated a deficit of $148,680 (December 31, 2015 - $97,020) since inception and expects to incur further losses in the development of its business.

The ability of the Company to continue as a going concern is dependent on its ability to receive continued financial support from its affiliates, raise additional debt or equity financing or identify business operations that generate positive cash flows.

2. Significant Accounting Policies

Basis of presentation
These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS 34”) Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s financial statement as at and for the year ended December 31, 2015. Accounting policies applied in the preparation of these unaudited condensed interim financial statements are the same as those applied in the preparation of the company’s annual financial statements for the year ended December 31, 2015. The unaudited condensed interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are stated at fair value.

Use of estimates and judgments
The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company’s accounting policies include the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(Expressed in Canadian Dollars – unaudited)

3. New Accounting Standards And Recent Pronouncements

New and Revised IFRS Issued but Not Effective

The Company has not adopted certain new standards, amendments and interpretations to existing standards, which have been issued by the IASB or the IFRS Interpretations Committee that are only effective for accounting periods beginning on or after January 1, 2015, or later periods.

The following amendments, revisions and new standards that have not been early adopted in these condensed interim financial statements will not have a material effect on the Company's future results and financial position:

i) IFRS 9 - Financial Instruments (New; to replace IAS 39 and IFRIC 9)

ii) Annual Improvements to IFRSs 2012 - 2014 Cycle, including IFRS 7, Financial Instruments: Disclosures and IAS 34, Interim Financial Reporting.

4. Demand Loan

The demand loan is unsecured, non-interest bearing and has no fixed terms of repayment.

5. Due To Affiliates

The amounts due to affiliates are payable to Mosaic Limited Partnership and Mosaic Capital Corporation, entities related through common ownership, arising from these entities providing advances to the Company which are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Share Capital

Authorized Share Capital

Unlimited	common voting shares
Unlimited	preferred shares, issuable in series, with the rights, privileges, restrictions and conditions determined by the Board of Directors upon issuance

Subscriptions Received

As at September 30, 2016, the Company has received $24,000 in advance of a private placement at $0.02 per unit. Each unit shall consist of one common share and one common share purchase warrant exercisable at $0.15 for a period of 24 months from when the warrant is issued.

Stock Options

On September 5, 2016, the Company the Company granted 500,000 common share purchase options to consultants of the Company. The options are exercisable at $0.25 per share and will expire on September 5, 2020 with half vesting immediately and half vesting twelve months from issue date. The fair value ascribed to the options was determined to be $2,561 using the Black-Scholes Option Pricing Model and $2,561 was included in the statement of comprehensive loss for period ended September 30, 2016.

The fair value of these options was estimated on the date of grant using the Black-Scholes Option Pricing Model, with the following assumptions:

Expected dividend yield	0%
Volatility	100%
Risk-free interest rate	1.27%
Expected life	4 years

(Expressed in Canadian Dollars – unaudited)

6. Share Capital (continued)

Options (continued)

Changes in options during the period ended September 30, 2016 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, as at December 31, 2014 and 2015	-	-
Options Granted	500,000	$0.25
Balance, as at September 30, 2016	500,000	$0.25

The weighted average remaining life of the outstanding options at September 30, 2016 is 3.78 years.

Details of stock options outstanding as at September 30, 2016 are as follows:

Number of options outstanding	Exercise Price	Expiry
500,000	$0.25	September 5, 2020

7. Related Party Transactions

During the three months ended September 30, 2016 the Company paid an officer and director $14,000 (2015 - $nil) for consulting services.

During the nine months ended September 30, 2016 the Company paid an officer and director $14,000 (2015 - $nil) for consulting services.

8. Financial Risk Management

i. Overview
The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

ii. Credit Risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its only liquid financial asset, cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high credit quality financial institutions.

iii. Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in a business account with a high-credit quality financial institution and funds are available on demand by the Company for its programs.

iv. Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

8. Financial Risk Management (continued)

v. Interest Rate Risk
The Company is subject to interest rate risk with respect to its investments in cash. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates will impact interest income earned.

vi. Capital Management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and contributed surplus, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

vii. Fair Value
The fair value of the Company's cash and cash equivalents, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

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 – unadjusted quoted prices 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 fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.