INTEGRATED ENERGY STORAGE CORP.

(formerly Aileron Ventures Limited)
CONDENSED INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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.

INTEGRATED ENERGY STORAGE CORP.
(formerly Aileron Ventures Limited)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - unaudited)

	September 30, 2017	December 31, 2016
Assets		
Current		
Cash	$ 51,044	$ 28,617
Marketable securities (Note 3)	12,333	-
Receivable	13,860	1,707
Prepaid expenses	2,500	5,000
	79,737	35,324
License (Note 4)	27,161	27,161
Total Assets	$ 106,898	$ 62,485
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 155,372	$ 145,954
Demand loan (Note 6)	199,452	52,000
Subscriptions received (Note 7)	8,000	24,000
	362,824	221,954
Shareholders' Equity		
Share capital (Note 7)	27,770	27,770
Stock option reserve (Note 7)	2,561	2,561
Deficit	(286,257)	(189,800)
	(255,926)	$ (159,469)
Total Liabilities and Shareholders' Equity	$ 106,898	$ 62,485

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

Approved on behalf of the board

"Brian Stecyk"
Simon Clark, Director

"Christopher Reid"
Christopher Reid, CFO and Director

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

INTEGRATED ENERGY STORAGE CORP.
(formerly Aileron Ventures Limited)
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Operating expenses				
General and administrative	$ 2,819	$ 28,822	$ 21,992	$ 34,799
Consulting fees	37,575	14,000	86,798	14,000
Stock based compensation	-	2,561	-	2,561
Change in fair value of marketable securities	3,364	-	(12,333)	-
Net loss and comprehensive loss	$ (43,758)	$ (45,383)	$ (96,457)	$ (51,360)
Loss per share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding – basic and diluted	9,436,148	9,436,148	9,436,148	9,436,148

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

INTEGRATED ENERGY STORAGE CORP.
(formerly 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, December 31, 2015	9,436,148	$ 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	9,436,148	$ 27,770	$ 24,000	$ 2,561	$ (148,380)	$ (94,049)
Balance, December 31, 2016	9,436,148	$ 27,770	$ 27,770	$ 2,561	$ (189,800)	$ (159,469)
Net loss for the year	-	-	-	-	(96,457)	(96,457)
Balance, September 30, 2017	9,436,148	$ 27,770	$ 27,770	$ 2,561	$ (286,257)	$ (255,926)

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

INTEGRATED ENERGY STORAGE CORP.
(formerly Aileron Ventures Limited)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (96,457)	$ (51,360)
Adjustment for non-cash item:		
Change in fair value of marketable securities	(12,333)	-
Stock based compensation	-	2,561
Change in operating working capital:		
(Increase) in receivables	(12,153)	-
Decrease in prepaid expenses	2,500	-
Increase in accounts payable and accrued liabilities	9,418	20,991
Net cash flows used in operating activities	(109,025)	(27,808)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions received (refunded)	(16,000)	24,000
Demand loan	147,452	52,000
Advances from affiliates, net	-	11,809
Net cash flows provided by financing activities	131,452	87,809
Decrease in cash	22,427	60,001
Cash, beginning of period	28,617	3,585
Cash, end of period	$ 51,044	$ 63,586

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

1. Nature and continuance of operations

Integrated Energy Storage Corp. (formerly Aileron Ventures Limited) (the "Company"), was incorporated on May 31, 2010 under the *Business Corporations Act* (Alberta). The address, and principal place of business of the Company is Suite 608, 1199 West Pender Street, Vancouver, BC, Canada, V6E 2R1. The Company is pursuing the research and development of electrical energy storage systems primarily based upon the Vanadium Redox Battery Technology. The Company holds a license with Pacific Northwest National Laboratories which provides for evaluation and testing of vanadium that will be used in the production of vanadium electrolyte and enables the Company to produce vanadium electrolyte that is currently patented by Pacific Northwest National Laboratories.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2017, the Company has not generated any revenue and has incurred a loss since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

(c) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements 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.

(d) License

Expenditures related to the acquisition of license rights are stated at cost less accumulated amortization and accumulated impairment loss, if any. Directly attributable expenditures are capitalized as intangible assets when incurred.

The costs of the license right will be amortized over the estimated life once the license is ready for use. Amortization is calculated on a straight-line method over its estimated useful life. The amortization rate and method applicable to license right will be straight-line for a period of 5 years.

2. Significant accounting policies (continued)

(e) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Company has no financial assets classified as fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company classifies cash as loans and receivables.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company has no financial assets classified as held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive loss, except for impairment losses and foreign exchange gains and losses. The Company has no financial assets classified as available-for-sale investments.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative financial liabilities include trade payables and demand loan and share subscription received.

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company' does not have any derivative financial assets. The Company's derivate financial liabilities include other liabilities.

(g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(h) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

(i) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(j) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this new standard and is currently assessing the impact that will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars - unaudited)

3. Marketable Securities

The Company received 56,060 shares of AREV Nutrition Sciences Inc. ("Shares") on December 12, 2016 for zero consideration. At the time of receipt, there was no market for the Shares and, therefore, the Company deemed the fair market value to be nominal.

On January 26, 2017, the Shares began trading on the Canadian Securities Exchange, thus establishing a market for the Shares.

As at September 30, 2017, the fair market value of the Shares was $12,333.

4. License

Effective October 18, 2016, the Company signed a license agreement to gain non-exclusive rights to certain patented technologies. Consideration for the license includes an aggregate $27,161 (US$20,000) paid over four trenches as outlined below:

October 18, 2016 ("effective date")	US$5,000 ($6,828 CDN paid)
Within 90 days of effective date	US$5,000 ($6,835 CDN paid)
Within 180 days of effective date	US$5,000 ($6,750 CDN paid)
Within 270 days of effective date	US$5,000 ($6,750 CDN paid)

The Company shall pay 1% of any revenues earned based on the licensed technology subject to minimum royalties starting in 2019 of $5,000, 2020 of $10,000 and 2021 and beyond of $20,000. The license terminates when the last of the patents expires or may terminate through written notice by the Company with 60 days notice.

5. Accounts Payable

	September 30, 2017	**December 31, 2016**
Accounts payable (Note 7)	$ 150,393	$ 120,640
Accrued liabilities	4,979	25,314
Total	**$ 155,372**	**$ 145,954**

Included in accounts payable is $79,144 due to former affiliates Mosaic Limited Partnership and Mosaic Capital Corporation, former significant shareholders, arising from these entities providing advances to the Company which are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Demand Loan

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

7. Share Capital

Authorized Share Capital

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

Issued share capital

At September 30, 2017 and December 31, 2016, there are 9,436,148 common shares and no preferred shares outstanding.

(Expressed in Canadian Dollars - unaudited)

7. Share Capital (continued)

Stock Options

On September 5, 2016, 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. 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 year ended December 31, 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

Changes in options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, as at December 31, 2015	-	-
Options granted	500,000	$0.25
Balance, as at December 31, 2016 and September 30, 2017	500,000	$0.25

The weighted average remaining life of the outstanding options at September 30, 2017 is 2.93 years.

Details of stock options outstanding as at September 30, 2017 are as follows:

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

Number of options exercisable	Exercise Price	Expiry
250,000	$0.25	September 5, 2020

Stock Option reserve

The stock option reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Subscriptions Received

As at September 30, 2017, the Company has received $8,000 in advance of a private placement at $0.02 per unit (December 31, 2016 - $24,000). Each unit was to 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. As of September 30, 2017, the private placement did not complete.

8. Financial instruments and risks

(a) Fair values

The fair values of cash, accounts payable, demand loan and share subscription received approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

8. Financial instruments and risks (continued)

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. Credit risk is assessed as low.

(d) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has no assets or liabilities denominated in foreign currencies; therefore, is not exposed to foreign exchange risk.

(e) 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 requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company. Liquidity risk is assessed as high.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Capital management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and development of its license. 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 is dependent on external financing to fund its activities. In order to carry out exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new exploration and evaluation assets and seek to acquire interests in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.