BIG ROCK LABS INC.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended March 31, 2015 and
the Period from February 13, 2014 to March 31, 2014

Collins Barrow

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Big Rock Labs Inc.

We have audited the accompanying consolidated financial statements of Big Rock Labs Inc. and its subsidiary, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Big Rock Labs Inc., and its subsidiary as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of material uncertainties that may cast significant doubt about the company's ability to continue as a going concern.

Other Matter

The consolidated financial statements for the period end March 31, 2014 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements dated April 14, 2014.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
July 21, 2015
Toronto, Ontario

BIG ROCK LABS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		March 31, 2015		March 31, 2014
ASSETS				
Current				
Cash	**$**	**306,588**	$	263,106
HST receivable		**13,775**		-
		320,363		263,106
Intangible assets (Note 8)		-		30,000
Total Assets	**$**	**320,363**	$	293,106
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**53,157**	$	2,500
SHAREHOLDERS' EQUITY				
Share capital (Note 4)		**488,115**		306,000
Warrants (Note 4)		**146,539**		-
Contributed surplus (Note 4)		**436,494**		-
Deficit		**(803,942)**		(15,394)
Total Shareholders' Equity		**267,206**		290,606
Total Liabilities and Shareholders' Equity	**$**	**320,363**	$	293,106

Nature of Operations and Going Concern (Note 1)

Approved and authorized by the Board of Directors on July 21, 2015.

On behalf of the Board:

/s/ "Harald Seemann"	*/s/ "Karl Pawlowicz"*
Harald Seemann	**Karl Pawlowicz**
Director	**Director**

BIG ROCK LABS INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Year Ended March 31, 2015 and
the Period from February 13, 2014 to March 31, 2014
(Expressed in Canadian Dollars)

		Year Ended March 31, 2015		Period from February 13, 2014 to March 31, 2014
Expenses				
Professional fees	**$**	**73,143**	$	15,500
Research and development fees		**119,775**		-
CSE fees		**17,500**		-
Plan of arrangement		**20,000**		-
Marketing		**39,550**		-
General and administrative		**54,471**		-
Share-based payments (Note 4)		**436,494**		-
Impairment of intangible assets (Note 8)		**30,000**		-
Loss before other items		**(790,933)**		(15,500)
Other items				
Interest and other income		**2,385**		106
Net loss and comprehensive loss for the year/period	**$**	**(788,548)**	$	(15,394)
Basic and diluted loss per share	**$**	**(0.04)**	$	(0.01)
Weighted average number of common shares outstanding - Basic and diluted		**18,481,288**		9,160,870

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BIG ROCK LABS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Year Ended March 31, 2015 and
the Period from February 13, 2014 to March 31, 2014
(Expressed in Canadian Dollars)

	Number of Shares	**Share Capital**	**Warrants**	**Contributed Surplus**	**Deficit**	**Total**
Balance, at incorporation February 13, 2014	-	$ -	$ -	$ -	$ -	$ -
Shares issued for cash (Note 4)	18,200,000	306,000	-	-	-	306,000
Loss for the period	-	-	-	-	(15,394)	(15,394)
Balance, March 31, 2014	18,200,000	$ 306,000	$ -	$ -	$ (15,394)	$ 290,606
Shares issued for cash (Note 4(a))	100,000	30,000	-	-	-	30,000
Private placement, net of issuance costs (Note 4(a))	430,000	152,115	146,539	-	-	298,654
Share-based payments (Note 4(b))	-	-	-	436,494	-	436,494
Loss for the year	-	-	-	-	(788,548)	(788,548)
Balance, March 31, 2015	**18,730,000**	**$ 488,115**	**$ 146,539**	**$ 436,494**	**$ (803,942)**	**$ 267,206**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BIG ROCK LABS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended March 31, 2015 and
the Period from February 13, 2014 to March 31, 2014
(Expressed in Canadian Dollars)

		Year Ended March 31, 2015		Period from February 13, 2014 to March 31, 2014
Operating activity				
Loss for the period	**$**	**(788,548)**	$	(15,394)
Item not affecting cash:				
Impairment of intangible assets (Note 8)		**30,000**		-
Share-based payments		**436,494**		-
Changes in non-working capital items:				
HST receivable		**(13,775)**		-
Accounts payable and accrued liabilities		**50,657**		2,500
Cash used in operating activities		**(285,172)**		(12,894)
Financing activity				
Private placement, net of issuance costs		**328,654**		306,000
Investing activity				
Acquisition of intangible asset		**-**		(30,000)
Increase in cash during the year/period		**43,482**		263,106
Cash, beginning of the year/period		**263,106**		-
Cash, end of the year/period	**$**	**306,588**	$	263,106

Supplemental disclosure of cash flow information:				
Cash received during the period for interest	**$**	**2,385**	$	106

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. Nature of Operations and Going Concern

Big Rock Labs Inc. ("Big Rock" or the "Company") was incorporated on April 4, 2014 under the Business Corporations Act of British Columbia. Big Rock owns 100% of Big Rock Technologies Inc. which was incorporated on February 13, 2014 under the Business Corporations Act of British Columbia as well. The head office of the Company is at 386 Yonge Street, Suite 5016; Toronto, Ontario M5B 0A5.

Big Rock became a reporting issuer in British Columbia and Alberta on May 29, 2014, pursuant to the closing of a statutory plan of arrangement with Gorilla Minerals Corp. and Big Rock Labs' wholly-owned subsidiary Big Rock Technologies Inc. In addition to being a reporting issuer in British Columbia and Alberta, Big Rock became a reporting issuer in Ontario upon listing on the Canadian Securities Exchange ("CSE") on June 2, 2014.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2015, the Company has not generated any revenues from operations, and had working capital of $267,206 (2014 - $260,606), had a net loss of $788,548 (2014 - $15,394) and an accumulated deficit of $803,942 (2014 - $15,394). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments if required, could be material.

Plan of Arrangement

On April 4, 2014, Big Rock entered into an arrangement agreement which included a statutory plan of arrangement (the "Arrangement") with Gorilla Minerals Corp. ("Gorilla") and Big Rock Technologies Inc. ("Big Rock Technologies"). Gorilla is a reporting issuer in the provinces of Alberta and British Columbia and on April 4, 2014, Big Rock was a wholly owned subsidiary of Gorilla, created solely for the purpose of giving effect to this Arrangement.

Pursuant to the Arrangement, the following steps were completed on May 29, 2014:

a) Big Rock Technologies acquired all of the 10,000 issued and outstanding shares of Big Rock from Gorilla for consideration of $20,000 (the "Purchase Shares");

b) Big Rock acquired all of the outstanding common shares of Big Rock Technologies from all of the Big Rock Technologies shareholders by exchanging securities on a 1:1 basis, such that 18,300,000 common shares of Big Rock Technologies were exchanged by their holders for 18,300,000 common shares of Big Rock;

c) Gorilla and Big Rock exchanged securities such that Gorilla issued 4 Gorilla common shares to Big Rock and Big Rock issued 4,000 common shares of Big Rock to Gorilla (collectively, the "Exchange Shares"); and

d) The Purchase Shares and the Exchange Shares were then cancelled.

1. Nature of Operations and Going Concern (continued)

Plan of Arrangement (continued)

On closing of the Arrangement, Big Rock became a reporting issuer in Alberta and British Columbia, and Big Rock Technologies became a wholly-owned subsidiary of the Company.

As a result of the Arrangement, the former shareholders of Big Rock Technologies, for accounting purposes, are considered to have acquired control of Big Rock. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Big Rock Technologies is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on February 13, 2014, are included in the consolidated financial statements at their historical carrying value. The consolidated financial statements are a continuation of Big Rock Technologies in accordance with IFRS 3, Business Combinations. Big Rock's results of operations are included from May 29, 2014 onwards. At the time of the execution of the arrangement, Big Rock had no net identifiable assets. Accordingly, no reverse acquisition transaction costs were recognized.

2. Basis of Presentation

Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and their interpretation as International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in the preparation of the consolidated financial statements for the year ended March 31, 2015 and the period ended March 31, 2014 are set out below.

Basis of Presentation

The audited consolidated financial statements, presented in Canadian Dollars, have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

The accounting policies set out below have been applied consistently by all of the wholly owned subsidiaries to the periods presented in the audited consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of Big Rock Labs Inc., and a wholly-owned subsidiary, Big Rock Technologies Inc.

The subsidiary is controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

The functional currency of the parent and Big Rock Technologies Inc. is the Canadian dollar, which is the presentation currency of the consolidated financial statements.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

2. Basis of Presentation (continued)

Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates. Significant estimates are as follows:

- inputs used in accounting for share-based payment transactions and in valuation of options and warrants included in shareholders' equity, including volatility;
- valuation of deferred taxes; and
- assessing whether material uncertainties exist which would cause doubt about the Company's ability to continue as a going concern

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

Cash

The Company's cash consists of cash on deposit at banking institutions.

Loss Per Share

Basic losses per share are computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted losses per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. No potentially dilutive securities were issued during the period. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Share-based payment transactions

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. 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 instruments 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 recorded to the contributed surplus. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. 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.

3. Significant Accounting Policies (continued)

Intangible assets

The Company's intangible assets consist of acquired Trademarks, Domain Names, and Software Application (collectively, "the Intellectual Property" or "IP") and certain contracts (Note 8). This IP is initially capitalized at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditures, including employee costs, which enhances or extends the performance of computer software and beyond its specifications and which can be reliably measured, is added to the original cost of the software and domain names. Costs associated with maintaining the computer software are recognized as an expense when incurred.

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognized as an impairment loss in profit or loss, unless the asset is carried at the revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense, a reversal of that impairment is also credited to profit or loss.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

In situations where the Company issues units, the value of warrants is bifurcated and is included as a separate reserve of the Company's equity.

Financial Assets and Liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3. Significant Accounting Policies (continued)

Financial Assets and Liabilities (continued)

At initial recognition, the Company classifies its financial assets in the following three categories depending on the purpose for which the instruments were acquired: Financial assets at fair value through profit or loss ("FVTPL"), available for sale ("AFS") financial assets or loans and receivable.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. Subsequent to initial recognition, accrued financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified its cash as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of the 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 or liabilities.

Fair Value Measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

3. Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The Company does not have any financial instruments measured at fair value on the consolidated statements of financial position.

Income Taxes

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be recovered.

Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available for sale investments and gains or losses on certain derivative instruments. To date, there have not been any charges to other comprehensive income (loss).

New Standards and Interpretations to be Adopted in Future

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IAS 1 'Presentation of Financial Statements' was amended by the IASB in December 2014. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 1 immediately, but are not required to do so.

3. Significant Accounting Policies (continued)

New Standards and Interpretations to be Adopted in Future (continued)

- IFRS 9 'Financial Instruments: Classification and Measurement' – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.
- IFRS 15 'Revenue from Contracts with Customers' was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning or after January 1, 2017. Entities may still choose to apply IFRS 15 immediately, but are not required to do so.
- IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' were amended by the IASB in May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 16 and 38 immediately, but are not required to do so.

4. Equity Instruments

a) Share capital

Authorized: An unlimited number of common shares without par value.

Issued: 18,730,000 common shares.

2015 Transactions

On April 22, 2014, Big Rock Technologies issued 100,000 common shares at a price of $0.30 per common share for total proceeds of $30,000.

Between October 23 and October 31, 2014, the Company raised gross proceeds of $301,000 through the issuance of 430,000 units at a price of $0.70 per unit. Each unit consists of one common share and one warrant exercisable to purchase one additional common share at a price of $1.00 per share for a period of 5 years after the issuance date on October 31, 2014. The Company incurred issuance costs of $2,346 which have been recognized as a deduction from the common shares and warrants.

(Expressed in Canadian Dollars)

4. Equity Instruments (continued)

a) Share capital (continued)

The shares and any warrant shares issued upon exercise of the warrants are subject to a four months and one day resale restriction following the date of distribution under applicable Canadian provincial securities laws.

2014 Transactions

i) On February 13, 2014, Big Rock Technologies issued 500,000 common shares at a price of $0.005 per common share for total proceeds of $2,500.

ii) On February 27, 2014, Big Rock Technologies issued 3,900,000 common shares at a price of $0.005 per common share for total proceeds of $19,500.

iii) On March 10, 2014, Big Rock Technologies issued 12,000,000 common shares at a price of $0.02 per common share for total proceeds of $240,000.

iv) On March 19, 2014, Big Rock Technologies issued 1,700,000 common shares at a price of $0.02 per common share for total proceeds of $34,000.

v) On March 31, 2014, Big Rock Technologies issued 100,000 common shares at a price of $0.10 per common share for total proceeds of $10,000.

	Number of Shares		Amounts
Balance, February 13, 2014	-	$	-
Shares issued for cash	**18,200,000**		306,000
Balance, March 31, 2014	**18,200,000**		306,000
Shares issued for cash	**100,000**		30,000
Private placement, net of issuance costs	**430,000**		152,115
Balance, March 31, 2015	**18,730,000**		488,115

b) Stock option plan and stock-based compensation

Under the Company’s current Stock Option Plan (the “Plan”), the Company may grant stock options to the Company’s directors, officers, employees and consultants, or a corporation wholly owned by such directors, officers, employees and consultants. The aggregate number of shares reserved for issuance under the Plan is up to 10% of the number of outstanding common shares, which was 18,730,000 as at March 31, 2015. The exercise price of options granted are subject to a minimum price of $0.10 per share and must exceed the closing market price of the shares on the trading day immediately preceding the grant of the option. All options issued and outstanding vested during the year ended March 31, 2015 and have a life of 5 years.

On May 12, 2014 the Company issued 1,800,000 stock options to management and directors. 300,000 stock options have been forfeited on September 19, 2014. There are currently 1,500,000 options to purchase the Company’s common stock outstanding. These stock options have an exercise price of $0.30 and expire on May 12, 2019.

(Expressed in Canadian Dollars)

4. Equity Instruments (continued)

b) Stock option plan and stock-based compensation (continued)

Options outstanding	March 31, 2015 Number of Options	Weighted Average Exercise Price
Balance, beginning of the year	-	$ -
Stock options issued	**1,800,000**	0.30
Stock options forfeited	**(300,000)**	0.30
Balance, end of the year	**1,500,000**	$ 0.30
Exercisable, end of year	**1,500,000**	$ 0.30

Exercise price	Options Outstanding March 31, 2015 Number of Options	Weighted Average Life (Years)
$0.30	**1,500,000**	**4.12**

The options granted during the year have a fair value of $436,494, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	2.00%	Expected volatility (Based upon comparable public companies)	192%
Dividend yield	Nil	Expected life-options	60 months
Forfeiture rate	Nil	Exercise price	$0.30

As of March 31, 2015, 1,500,000 options were exercisable. During the year ended March 31, 2015, $436,494 (2014 – Nil) was included in share-based payments expense with the corresponding amount charged to contributed surplus.

(Expressed in Canadian Dollars)

4. Equity Instruments (continued)

c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the year ended March 31, 2015:

	Number of warrants	Weighted-average Strike Price
Opening, March 31, 2014	-	$ -
Warrants issued upon unit financing	430,000	1.00
Outstanding and exercisable – March 31, 2015	**430,000**	**1.00**

The fair value of the warrants granted during the period ended March 31, 2015 of $146,539 (2014 - nil) was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.00%	Expected volatility (Based upon comparable public companies)	183%
Dividend yield	Nil	Expected life-options	60 months
Forfeiture rate	Nil	Exercise price	$1

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Exercise price	Number of outstanding exercisable warrants	Weighted average remaining contractual life (in years)	Expiry date
$1.00	430,000	4.59	October 31, 2019

5. Financial Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair Value

The carrying value of cash amounts, and accrued liabilities approximated their fair value because of the relatively short-term nature of these instruments.

Credit Risk

The Company’s cash is held in large Canadian financial institutions. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

5. Financial Instruments (continued)

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not currently exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity Risk

The Company's ability to continue as a going concern is dependent on management's ability to raise additional funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

6. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company expects its capital resources, which include a share offering, will be sufficient to carry its research and development plans and operations through its current operating period. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

7. Income Taxes

a) Current Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

		March 31, 2015		March 31, 2014
Net loss for the period	**$**	**(788,548)**	$	(15,394)
Expected tax recovery at a combined federal and provincial rate of 26.50% (2014 - 25.00%)		**(208,965)**		(3,849)
Non-deductible expenses		**123,088**		-
Tax benefit not recognized and other		**85,877**		3,849
Deferred income tax recovery	**$**	**-**	$	-

b) Deferred Taxes

Significant components of the Company's deferred income tax assets (not recognized) after applying enacted corporate income tax rates are as follows:

		March 31, 2015		March 31, 2014
Non-capital loss carry forwards	**$**	**90,016**	$	3,849
Other temporary differences		**(289)**		-
Net deferred income tax asset not recognized	**$**	**89,726**	$	3,849

At March 31, 2015, management considers that it is not "more likely than not" that these losses will not be utilized and accordingly a full valuation allowance has been recognized against these losses.

At March 31, 2015, the Company has Canadian non-capital losses of $339,682 which, if not utilized to reduce income in future periods, expire through 2035.

8. Intangible Assets

On March 4, 2014, Big Rock Technologies entered into an Asset Purchase Agreement with 2382709 Ontario Inc. to purchase intangible assets comprised of Intellectual Property and Contracts. The Intellectual Property is comprised of the Hostello Trademarks, the Hostello Domain Names, and the Hostello Software Application. Big Rock Technologies paid $30,000 in consideration for these assets. During the year ended March 31, 2015, the Company ceased further development of the Hostello assets and applications as it is focused on the development of its Reach application. As a result, the Hostello intangible assets were fully written-off for impairment.

9. Related Party Transactions

Key Management Compensation	**March 31, 2015**	March 31, 2014
Stock-based compensation	**$ 261,896**	$ -

As at March 31, 2015, $16,390 (2014 – Nil), was payable to key management for reimbursement of corporate expenses. Key management includes the senior officers of the Company and directors.