TORINO VENTURES INC.

Financial Statements

(Unaudited)

September 30, 2015

(Expressed in Canadian dollars)

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the nine months ended September 30, 2015.

TORINO VENTURES INC.
Statement of financial position
(Expressed in Canadian dollars)

	September 30, 2015 $	December 31, 2014 $
Assets		
Current assets		
Cash and cash equivalents	101,560	–
Amounts receivable	10,243	–
Subscription receivable	–	1
Deposits (note 9)	20,000	–
Total current assets	131,803	1
Non-current assets		
Exploration and evaluation assets (Note 3)	152,230	–
Total assets	284,033	1
Liabilities		
Current liabilities		
Accounts payable	15,834	–
Total liabilities	15,834	–
Shareholders' Equity		
Share capital (note 5)	365,630	1
Subscriptions receivable	10,000	–
Deficit	(107,431)	–
Total shareholders' equity	268,199	1
Total liabilities and shareholders' equity	284,033	1

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on November 26, 2015:

/s/ "Ravinder Mlait" | */s/ "Bryan Loree"*

Ravinder Mlait, Director | Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.
Statement of comprehensive loss
(Expressed in Canadian dollars)

	Nine months ended September 30, 2015 $	Three months ended September 30, 2015 $	From period of incorporation on September 10, 2014 to September 30, 2014 $
Revenue	–	–	–
Consulting fees	102,000	36,000	–
Professional fees	2,613	2,613	–
Transfer agent fees	2,764	1,887	–
Bank charges & interest	54	18	–
Net loss and comprehensive loss	(107,431)	(40,518)	–
Loss per share, basic and diluted	(0.02)	(0.01)	–
Weighted average shares outstanding	5,629,292	7,139,113	1

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.
Statement of changes in equity
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount $	Share Subscription Receivable $	Deficit $	Total $
Incorporation share	1	1	–	–	1
Net loss	–	–	–	–	–
Balance, September 30, 2014 & December 31, 2014	1	1	–	–	1
Incorporation share cancelled	(1)	(1)	–	–	(1)
Shares issued pursuant to plan of arrangement	7,999,984	162,230	–	–	162,230
Consolidation of plan of arrangement shares (5:1)	(6,400,006)	–	–	–	–
Shares issued for debt	1,500,000	90,000	–	–	90,000
Shares issued pursuant to private placement	2,500,000	115,000	10,000	–	125,000
Share issue costs	–	(1,600)	–	–	(1,600)
Net loss	–	–		(107,431)	(107,431)
Balance, September 30, 2015	5,599,978	365,630	10,000	(107,431)	268,199

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.

Statements of cash flows
(Expressed in Canadian dollars)

	Nine months ended September 30, 2015 $	Three months ended September 30, 2015 $	From period of incorporation on September 10, 2014 to September 30, 2014 $
Operating activities			
Net loss for the period	(107,431)	(40,518)	–
Changes in non-cash operating working capital:			
Amounts receivable	(10,243)	(10,199)	–
Accounts payable and accrued liabilities	15,834	(50,308)	–
Net cash used in operating activities	(101,840)	(101,025)	–
Investing activities			
Mineral property acquisition costs	(152,230)	–	–
Amalgamation deposit	(20,000)	(20,000)	–
Net cash used in investing activities	(172,230)	(20,000)	–
Financing activities			
Proceeds from issuance of common shares	375,630	213,400	1
Net cash provided by financing activities	375,630	213,400	1
Increase (decrease) in cash	101,560	92,375	1
Cash, beginning of the period	–	9,185	–
Cash, end of period	101,560	101,560	1
Non-cash investing and financing activities:			
Shares issued pursuant to mineral property option agreements	152,230	152,230	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations

Torino Ventures Inc. (the "Company") was incorporated on September 10, 2014 under the BC Business Corporations Act as a wholly-owned subsidiary of Cannabix Technologies Inc. ("Cannabix"), a public company the common shares of which trade on the CSE. The head office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The registered and records office of the Company is located at the same address. On March 12, 2015, the Company completed the Plan Arrangement described below and the Company's primary business is to be the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These financial statements have been prepared on the 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 September 30, 2015, the Company has no source of revenue, does not generate cash flows from operating activities, and has an accumulated deficit of $107,431. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations 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 financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Pursuant to the Arrangement, Cannabix exchanged each of its issued and outstanding common shares for one New Common Share and one Class 1 Reorganization Share. All of the Class 1 Reorganization Shares will be transferred by the shareholders of Cannabix to the Company, in exchange for 7,999,984 common shares of the Company, which were issued to the shareholders of Cannabix on a pro-rata basis. Cannabix then redeemed all of the Class 1 Reorganization Shares by transferring to the Company an amount equal to $162,230, consisting of the value of its Hazeur mineral property interest, located in the Province of Quebec and $10,000 of cash.

The Hazeur property was acquired by the Company for $152,230, representing its carrying amount in the financial statements.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ('IAS") 34 Interim Financial Reporting.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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.

2. Significant Accounting Policies (continued)

(b) Use of Estimates (continued)

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of mineral property costs, determination of reclamation provisions, measurement of share-based payments, fair values of financial instruments, and deferred income tax asset valuation allowances.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

2. Significant Accounting Policies (continued)

(g) 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 balance sheet 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.

(h) Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

2. Significant Accounting Policies (continued)

(j) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Stock-based payments

The Company grants share-based awards to employees, directors and consultants providing similar services as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(m) Accounting standards and amendments issued but not yet effective

The following standard will be adopted effective January 1, 2019:

IFRS 9 – *Financial Instruments, Classification and Measurement*

(Expressed in Canadian dollars)

3. Mineral Property Costs

Balance, December 31, 2014	–
Additions	152,230
Balance, September 30, 2015	152,230

4. Related Party Transactions

During the nine month period ended September 30, 2015, the amount of $102,000 was accrued as consulting fees to Directors of the Company. On August 28, 2015, $90,000 was settled with the issuance of 1,500,000 common shares to two Directors of the Company.

5. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

Share issuance for the period ended September 30, 2015:

(a) On September 2, 2015, the Company issued 2,500,000 units at $0.05 per unit for gross proceeds of $123,400. Each unit consisted of one common share and one and one-half share purchase warrants. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.10 until September 2, 2017. No consideration or value was allocated to the warrants as they had no intrinsic value at the time the units were issued. The Company paid a finders' fee of $1,600 in connection with the private placement.

(b) On September 2, 2015, the Company issued 1,500,000 common shares at a deemed value of $0.06 per share as debt settlement with two Directors of the Company.

(c) On March 11, 2015, the Company issued 7,999,984 shares pursuant to the plan of arrangement with Cannabix Technologies Inc. On September 1, 2015, the Company completed a consolidation of the outstanding common shares on the basis of one post-consolidation common share for five pre-consolidation common shares resulting in 1,599,978 common shares outstanding.

Share issuance for the period ended December 31, 2014:

On September 10, 2014, the Company issued 1 share to Cannabix Technologies Inc. pursuant to the incorporation of the Company. This incorporation share was cancelled during the period ended September 30, 2015.

6. Financial Instruments and Risks

(a) Fair Values

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2015 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, September 30, 2015 $
Cash	101,560	–	–	101,560

6. Financial Instruments and Risks (continued)

(b) Credit Risk

The Company does not currently have any financial instruments that are potentially subject to credit risk.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) 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.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

8. Segmented Information

The Company operates in one industry and in only one geographic segment within the mineral resource industry with all current exploration activities conducted in Canada.

9. Subsequent Events

On November 2, 2015, the Company completed a non-brokered private placement for gross proceeds of $407,500 through the sale of 4,075,500 Units. Each Unit is comprised of one common share ("Common Share") at $0.10 cents, and one half non-transferable common share purchase warrant ("Warrant") exercisable at $0.20 cents per common share for a period of 18 months from the date of closing.

On November 6, 2015, the Company completed a three-cornered amalgamation whereby Smart Autonomous Solutions Inc. ("SAS") amalgamated with a wholly-owned subsidiary of the Company (Torino Acquisition Corp). The Amalgamation was filed with British Columbia Registry Services as of November 5, 2015. In conjunction with the Amalgamation, Torino issued 12,062,927 common shares to securityholders of SAS. The Company had previously paid a $20,000 deposit to SAS on August 14, 2015 pursuant to the binding LOI dated July 20, 2015.

On November 12, 2015, the Company completed a name change, and is now known as Torino Power Solutions Inc.