GREEN 2 BLUE ENERGY CORP.

Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Green 2 Blue Energy Corp.

We have audited the accompanying consolidated financial statements of Green 2 Blue Energy Corp. which comprise the consolidated statements of financial position as at June 30, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 audits. 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 judgment, 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 involves evaluating the appropriateness of the 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Green 2 Blue Energy Corp. as at June 30, 2017 and 2016 and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(d) of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Green 2 Blue Energy Corp. to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

November 17, 2017

GREEN 2 BLUE ENERGY CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2017 $	June 30, 2016 $
Assets		
Current assets		
Cash	38,958	5,244
Accounts receivable (Note 5)	74,096	18,920
Due from related parties (Note 12)	19,585	–
Inventory (Note 6)	10,974	7,871
Prepaid expenses	22,774	11,985
Total current assets	166,387	44,020
Non-current assets		
Property and equipment (Note 7)	322,235	398,230
Total assets	488,622	442,250
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	712,065	463,466
Current portion of loans payable (Note 8)	300,309	32,830
Convertible debt - related party, net of unamortized discount of $nil and $22,073, respectively (Note 10)	–	24
Due to related parties (Note 12)	2,384	5,160
Current portion of obligations under finance lease (Note 9)	81,206	29,674
Derivative liabilities (Note 11)	–	26,085
Total current liabilities	1,095,964	557,239
Non-current liabilities		
Loans payable (Note 8)	118,106	32,042
Obligations under finance lease (Note 9)	283,026	341,117
Total liabilities	1,497,096	930,398
Shareholders' deficit		
Share capital	1,659,637	1,304,137
Share-based payment reserve	376,846	376,846
Deficit	(3,002,013)	(2,160,069)
Accumulated other comprehensive income (loss)	(43,327)	(9,846)
Total Green 2 Blue Energy Corp. shareholders' deficit	(1,008,857)	(488,932)
Non-controlling interest	383	784
Total shareholders' deficit	(1,008,474)	(488,148)
Total liabilities and shareholders' deficit	488,622	442,250

Going concern (Note 2(d))
Commitments (Note 15)
Subsequent events (Note 20)

Approved and authorized for issuance by the Board of Directors on November 17, 2017:

/s/ "Slawomir Smulewicz"	*/s/ "Michael Young"*
Slawomir Smulewicz, Director	Michael Young, Director

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

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Year Ended June 30, 2017 $	Year Ended June 30, 2016 $
Sales	454,880	201,018
Cost of sales	(420,705)	(180,020)
Gross profit	34,175	20,998
Operating Expenses		
Consulting and management fees (Note 12)	269,630	513,000
Depreciation	54,347	98,196
Foreign exchange gain	(5,488)	(29,524)
General and administrative	366,706	305,036
Professional fees	155,400	52,478
Travel	23,127	9,213
Wages and benefits	16,505	78,017
Total operating expenses	880,227	1,026,416
Net loss before other income (expense)	(846,052)	(1,005,418)
Other income (expense)		
Accretion of discount on convertible debt (Note 10)	(22,073)	(244,130)
Change in fair value of derivative liabilities (Note 11)	26,085	87,451
Gain on disposal of G2BE Services PTE Ltd. (Note 4)	33,483	–
Gain on disposal of equipment (Note 7)	21,823	–
Loss on settlement of debt	–	(292,962)
Interest expense	(55,611)	(67,698)
Total other income (expense)	3,707	(517,339)
Net loss for the year	(842,345)	(1,522,757)
Less: net loss attributable to the non-controlling interest	401	20,855
Net loss attributable to Green 2 Blue Energy Corp.	(841,944)	(1,501,902)
Comprehensive loss		
Foreign currency translation adjustments	(33,481)	(16,226)
Comprehensive loss attributable to Green 2 Blue Energy Corp.	(875,425)	(1,518,128)
Basic and diluted loss attributable to Green 2 Blue Energy Corp.	(0.04)	(0.10)
Weighted average number of common shares outstanding used in the calculation of net loss attributable to Green 2 Blue Energy Corp. per common share basic and diluted	21,967,376	14,573,389

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

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

	Share Capital Number of Shares	Share Capital Amount $	Share-based Payment Reserve $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Non-controlling Interest $	Total Shareholders' Deficit $
Balance, June 30, 2015	7,700,001	270,000	–	(658,167)	6,380	(119,561)	(501,348)
Issuance of common shares for cash	1,645,000	164,500	–	–	–	–	164,500
Issuance of common shares for services	3,450,000	345,000	–	–	–	–	345,000
Issuance of common shares for settlement of related party debt	550,000	55,000	–	–	–	–	55,000
Conversion of convertible debt and derivative liabilities to common shares	6,100,000	610,000	376,846	–	–	–	986,846
Issuance of common shares to acquire non-controlling interest	3,000,000	(140,363)	–	–	–	140,363	–
Cancellation of founder's shares	(2,500,000)	–	–	–	–	–	–
Contribution from non-controlling interest	–	–	–	–	–	837	837
Net loss	–	–	–	(1,501,902)	–	(20,855)	(1,522,757)
Foreign currency translation loss	–	–	–		(16,226)	–	(16,226)
Balance, June 30, 2016	19,945,001	1,304,137	376,846	(2,160,069)	(9,846)	784	(488,148)
Issuance of common shares for cash	623,700	62,370	–	–	–	–	62,370
Issuance of common shares for settlement of related party debt	1,865,000	186,500	–	–	–	–	186,500
Issuance of common shares for settlement of debt	1,066,300	106,630	–	–	–	–	106,630
Net loss	–	–	–	(841,944)	–	(401)	(842,345)
Foreign currency translation loss	–	–	–	–	(33,481)	–	(33,481)
Balance, June 30, 2017	**23,500,001**	**1,659,637**	**376,846**	**(3,002,013)**	**(43,327)**	**383**	**(1,008,474)**

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

GREEN 2 BLUE ENERGY CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended June 30, 2017 $	Year Ended June 30, 2016 $
Operating activities		
Net loss	(842,345)	(1,522,757)
Items not affecting cash:		
Accretion of discount on convertible debt	22,073	244,130
Change in fair value of derivative liabilities	(26,085)	(87,451)
Depreciation	54,347	98,196
Gain on disposal of equipment	(21,823)	–
Gain on disposal of G2BE Services PTE Ltd.	(33,483)	–
Loss on settlement of debt	–	292,962
Share-based compensation	–	345,000
Changes in non-cash operating working capital:		
Accounts receivable	(55,176)	30,514
Inventory	(3,103)	50,198
Prepaid expenses	(10,789)	5,091
Accounts payable and accrued liabilities	391,663	294,865
Due to related parties	143,642	40,000
Net cash used in operating activities	(381,079)	(209,252)
Investing activities		
Proceeds from sale of property and equipment	27,693	–
Purchase of property and equipment	–	(29,927)
Net cash used in investing activities	27,693	(29,927)
Financing activities		
Repayment of finance lease obligations	(31,681)	(25,566)
Proceeds from loans payable	391,452	78,989
Repayment of loans payable	(28,394)	(14,117)
Proceeds from convertible debt to a related party	–	51,079
Repayment of convertible debt to a related party	(2,033)	(10,092)
Proceeds from common shares issued	62,370	164,500
Net cash provided by financing activities	391,714	244,793
Effects of foreign exchange rate changes on cash	(4,614)	(16,226)
Change in cash	33,714	(10,612)
Cash, beginning of year	5,244	15,856
Cash, end of year	38,958	5,244

Supplemental Cash Flow Information (Note 17)

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

1. Corporate Information

Green 2 Blue Energy Corp. (the "Company") was incorporated on May 30, 2014 under the laws of British Columbia. The Company manufactures, markets, and distributes softwood pellets and shavings for consumer and industrial customers and arranges transactions between buyers and sellers of alternative energy products. The Company's registered office is located at Suite 1170, 1040 West Georgia Street, Vancouver, BC.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and its subsidiaries: (i) Green 2 Blue Energy Europe Sp. z.o.o. ("G2BE Europe"), incorporated in Poland in October 2014 and is 99.5% owned by the Company; (ii) G2BE Services PTE Ltd. ("G2BE Services"), incorporated in Singapore and is wholly owned by the Company; and (iii) G2BE Poland Sp z o.o. ("G2BE Poland"), incorporated in Poland and is owned 99% by G2BE Europe. The Company sold its interest in G2BE Services on March 27, 2017.

All significant intercompany transactions have been eliminated on consolidation.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The Company's functional currency is Canadian dollars. G2BE Europe's and G2BE Poland's functional currency is Polish zloty. G2BE Services' functional currency is US dollars.

(c) Use of Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities.

Significant areas of estimation include the collectability of accounts receivable, useful lives and recoverability of property and equipment, measurement of provisions, valuation of inventory, fair value of derivative liabilities, valuation of convertible debt, fair value of share-based payments, and deferred income tax asset valuation allowances.

2. Basis of Presentation (continued)

(c) Use of Estimates and Judgments (continued)

The Company's policy for property and equipment requires judgment in determining whether the present value of future expected economic benefits exceeds capitalized costs. The policy requires management to make certain estimates and assumptions about future economic benefits related to its operations. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of capitalized cost is unlikely, the capitalized cost is written off to the consolidated statement of operations.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Going Concern

These consolidated 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 June 30, 2017, the Company had a negative cash flow from operations, had a working capital deficit of $929,577, and had an accumulated deficit of $3,002,013. Furthermore, the Company incurred a net loss of $842,345 during the year ended June 30, 2017. To obtain future profitability, the Company will need to increase the volume of production and sales, and is reliant on the co-operation of creditors to pay outstanding amounts on a timely basis. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on a timely basis or on terms that are acceptable to the Company. These factors, current market conditions, and inability to secure new assets to date, however, indicate the existence of a material uncertainty that casts significant doubt on the ability of the Company to continue as a going concern or in its present form. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Accounts Receivable

Accounts receivable is comprised of amounts due from customers for purchases of the Company's products and is recorded net of allowance for doubtful accounts. Factors such as current economic conditions, historical information, and reasons for any accounts being past due are all considered when determining whether to write off accounts receivable.

(c) Inventory

Inventory is comprised of raw material and finished goods, which are valued at the lower of cost and net realizable value. Costs are determined using the weighted average basis for raw materials and manufactured goods and first-in-first-out for goods purchased for resale. Net realizable value is determined on the basis of anticipated sales proceeds less the estimated selling expenses. Inventory is reviewed at least annually for impairment due to slow moving or obsolescence.

3. Summary of Significant Accounting Policies (continued)

(d) Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation and impairment charges, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be reliably measured. All other expenditures are charged to operating expenses as incurred.

When major components of property and equipment have different useful lives, they are accounted for as separate items. Depreciation of property and equipment is based on the estimated useful lives of the assets using the following rates:

Forklifts	14% declining balance
Furniture and fixtures	5 years straight-line
Technical equipment and machinery	5 years straight-line
Vehicles	4 years straight-line

(e) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired:

- an intangible asset with an indefinite useful life;
- an intangible asset not yet available for use; and
- goodwill acquired in a business combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill and intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Summary of Significant Accounting Policies (continued)

(f) Leases

The Company leases assets for administrative purposes. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment by the Company of whether the arrangement conveys a right to use the asset. Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. Otherwise, leases are classified as operating leases.

Operating lease expense is recognized on a straight-line basis over the lease term.

Finance lease payments are recorded at the present value at the inception of the lease and apportioned at each disbursement date between financing costs and the lease liability using the implicit interest rate of the lease.

(g) Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due from and to related parties, convertible debt to related parties, derivative liabilities, and obligations under finance lease.

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 is reported in the consolidated statement of financial position 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.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term.

Financial instruments in this category are recognized at fair value and subsequently carried at fair value. Gains and losses arising from changes in fair value are recorded in the consolidated statement of operations in the period in which they arise. Cash is classified as fair value through profit or loss.

(ii) Held-to-maturity investments: Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

(iii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale investments are recognized at fair value and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income. The Company does not have any assets classified as available-for-sale.

3. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

(iv) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses. Amounts due from related parties and accounts receivable are classified as loans and receivables.

(v) Non-derivative financial liabilities: The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, loans payable, amounts due to related parties, convertible debt to related parties, and obligations under finance lease.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(vi) Financial liabilities designated at fair value through profit or loss include derivatives, including separated derivatives are also classified as held for trading and recognized at fair value with change in fair value recognized in earnings unless they are designate as effective hedging instruments. Fair value changes on financial liabilities classified as fair value through profit or loss are recognized in the consolidated statement of operations. The Company's financial liabilities designated at fair value through profit or loss include derivative liabilities.

(h) Impairment of Financial Assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(i) Revenue Recognition

Revenue is recognized when title and risk of loss is passed to the customer, reliable estimates can be made of relevant deductions, the sales price to the customer is fixed and determinable, and collection of the resulting receivable is reasonably assured. Gross revenue is reduced by discounts, credits, allowances, and product returns. Generally, revenue is recognized when the risks and rewards are transferred to the customer based on shipping terms negotiated in sales contracts.

(j) 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 consolidated 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 the consolidated statement of operations.

3. Summary of Significant Accounting Policies (continued)

(k) Income Taxes

Income tax comprises current and deferred income tax. Current income tax and deferred income tax are recognized in the consolidated statement of operations except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor the consolidated statement of operations.

Recognition of deferred income tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable income will be available against which the deferred income tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred income tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

(l) 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, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at June 30, 2017, the Company has no (2016 – 441,938) potentially dilutive shares outstanding.

(m) Comprehensive Income (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 the consolidated statement of operations. For the years ended June 30, 2017 and 2016, comprehensive income (loss) consists of foreign currency translation gains and losses.

(n) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(o) Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after July 1, 2016 or later periods.

The following new standards have not been early adopted in these consolidated financial statements and the Company is currently assessing the impact that the standards will have on the Company's consolidated financial statements:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9);
ii) IFRS 15, *Revenue from Contracts with Customers* (New); and
iii) IFRS 16, *Leases* (New).

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 consolidated financial statements.

4. Sale of G2BE Services PTE Ltd.

On March 27, 2017, the Company sold its interest in G2BE Services to the President of the Company for consideration of $1. As a result, the Company recorded a gain on disposal of $33,483 related to its interest.

5. Accounts Receivable

	June 30, 2017 $	June 30, 2016 $
Trade accounts receivable	33,259	8,764
GST and VAT receivable	40,837	10,156
	74,096	18,920

6. Inventory

	June 30, 2017 $	June 30, 2016 $
Raw materials	10,974	4,512
Finished goods	–	3,359
	10,974	7,871

(Expressed in Canadian dollars)

7. Property and Equipment

	Assets Under Construction $	Forklift $	Furniture and Fixtures $	Technical Equipment and Machinery $	Vehicles $	Total $
Cost:						
Balance, June 30, 2015	–	3,511	–	518,249	19,122	540,882
Additions	27,167	–	2,760	–	–	29,927
Dispositions	–	–	–	–	(18,898)	(18,898)
Foreign currency translation adjustments	–	(41)	–	(6,086)	(224)	(6,351)
Balance, June 30, 2016	27,167	3,470	2,760	512,163	–	545,560
Additions	914	–	–	1,402	–	2,316
Foreign currency translation adjustments	1,841	235	–	34,701	–	36,777
Dispositions	(4,876)	–	–	–	–	(4,876)
Balance, June 30, 2017	25,046	3,705	2,760	548,266	–	579,777
Accumulated depreciation:						
Balance, June 30, 2015	–	205	–	54,598	1,088	55,891
Additions	–	507	138	96,517	4,111	101,273
Disposals	–	–	–	–	(5,112)	(5,112)
Foreign currency translation adjustments	–	(25)	–	(4,610)	(87)	(4,722)
Balance, June 30, 2016	–	687	138	146,505	–	147,330
Foreign currency translation adjustments	–	48	–	9,925	–	9,973
Additions		519	552	99,168		100,239
Balance, June 30, 2017	–	1,254	690	259,558	–	257,542
Carrying amounts:						
Balance, June 30, 2016	27,167	2,783	2,622	365,658	–	398,230
Balance, June 30, 2017	25,046	2,451	2,070	292,668	–	322,235

As at June 30, 2017, included in technical equipment and machinery are assets under finance lease with an original cost of $527,785 (2016 - $494,297) and accumulated depreciation of $245,965 (2016 - $140,408). During the year ended June 30, 2017, the Company sold equipment with a carrying value of $4,663 for proceeds of $26,486 which resulted in a gain on the sale of equipment of $21,823.

(Expressed in Canadian dollars)

8. Loans Payable

(a) As at June 30, 2017, the Company owed $25,000 (2016 - $nil) to an unrelated third party, which is unsecured, bears interest at the greater of $2,500 or 10% per annum, and due on demand.

(b) .As at June 30, 2017, the Company owed $1,754 (PLN$5,000) (2016 - $16,415 (PLN$50,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and is due on demand.

(c) As at June 30, 2017, the Company owed $nil (PLN$nil) (2016 - $16,415 (PLN$50,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on demand.

(d) As at June 30, 2017, the Company owed $8,763 (PLN$25,000) (2016 - $8,207 (PLN$25,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and due on October 31, 2017.

(e) As at June 30, 2017, the Company owed $184,372 (2016 - $nil) to Brigade Resources Corp., which is unsecured, bears interest at 5% per annum, and due on December 22, 2017.

(f) As at June 30, 2017, the Company owed $57,524 (PLN$164,100) (2016 - $27,118 (PLN$82,600)) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017.

(g) As at June 30, 2017, the Company owed $8,763 (PLN$25,000) (2016 - $nil) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017.

(h) As at June 30, 2017, the Company owed $14,133 (PLN$40,318) (2016 - $nil) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and due on December 31, 2017.

(i) As at June 30, 2017, the Company owed $63,105 (PLN$180,000) (2016 - $nil) to an unrelated third party, which is secured by 600,000 shares of the Company that were pledged by a shareholder, bears interest at 4.81% per annum, and due on July 31, 2018.

(j) As at June 30, 2017, the Company owed $55,001 (PLN$156,923) (2016 - $nil) to an unrelated third party, which is secured by 600,000 shares of the Company that were pledged by a shareholder, bears interest at 4.81% per annum, and due on July 31, 2018.

9. Obligations Under Finance Lease

On October 1, 2014, the Company entered into an agreement to lease machinery used in the production of pellets. The equipment lease is classified as a finance lease. The interest rate underlying the obligation in the finance lease is 26% per annum.

The following is a schedule by years of future minimum lease payments under the remaining finance lease together with the present value of the net minimum lease payments as of June 30, 2017:

Year ending June 30:	$
2018	104,608
2019	104,608
2020	104,608
2021	52,453
Net minimum lease payments	366,277
Residual value	52,772
Less: amount representing interest payments	(54,817)
Present value of net minimum lease payments	364,232
Less: current portion	(81,206)
Non-current portion	283,026

(Expressed in Canadian dollars)

10. Convertible Debt – Related Party

On October 13, 2014, the Company entered into a loan agreement with the President of the Company. Pursuant to the agreement, the President of the Company will advance up to $300,000 to the Company. Advances will bear interest at 5% per annum and mature on October 30, 2016 or such later date at the sole discretion of the President of the Company. The loan is convertible at the holder's option at any time prior to the maturity date at the lower of: (i) $0.05 per share; or (ii) the price of the common shares most recently issued by the Company. On February 9, 2015, the parties entered into an amendment to the loan agreement whereby the credit limit referred to in the loan agreement was increased by $100,000 to $400,000.

The conversion feature failed to meet equity classification and was accounted for as a derivative liability and accounted for separately from the host instrument. The principal balance was accounted for at amortized cost, and the embedded derivative liability was measured at fair value with changes in value recorded in the consolidated statement of operations.

On January 31, 2016, the Company issued 6,100,000 common shares with a fair value of $610,000 to the President of the Company and the spouse of the President of the Company upon the conversion of $305,000 of the convertible debt, resulting in a loss on settlement of debt of $305,000. On March 30, 2016, the Company issued 200,000 common shares with a fair value of $20,000 to the President of the Company to settle $20,000 of the convertible debt.

On October 30, 2016, the note matured and the remaining outstanding balance was transferred to a non-interest bearing, due on demand related party advance.

During the year ended June 30, 2017, the Company recognized accretion expense of $22,073 (2016 - $234,044). As at June 30, 2017, the Company had $nil (2016 - $22,097) of convertible debt outstanding, net of discount of $nil (2016 - $22,073) resulting in a carrying value of $nil (2016 - $24).

11. Derivative Liabilities

The conversion feature described in Note 10 failed to meet equity classification and, as a result, was accounted for as a derivative liability separately from the host debt instrument. The fair value of the conversion feature (derivative liability) was revalued at each reporting date and the fair value changes recorded in the consolidated statement of operations.

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities:

	Year Ended June 30, 2017 $	Year Ended June 30, 2016 $
Balance at the beginning of period	26,085	451,341
Original discount limited to proceeds of notes	–	51,079
Conversion of derivative liabilities	–	(376,846)
Extinguishment of derivative liabilities upon settlement of convertible debt	–	(12,038)
Change in fair value of derivative liabilities	(26,085)	(87,451)
Balance at the end of the period	–	26,085

During the year ended June 30, 2017, the Company recorded a gain on the change in fair value of the derivative liabilities of $26,085 (2016 – $87,451).

(Expressed in Canadian dollars)

11. Derivative Liabilities (continued)

The Company uses the Black-Scholes option pricing model to calculate the fair values of the derivative liabilities. The following table shows the weighted average assumptions used in the calculations:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
As at issuance date	168%	0.97%	0%	2.05
As at June 30, 2016	168%	0.49%	0%	0.33
As at June 30, 2017	–	–	–	–

12. Related Party Transactions

(a) As at June 30, 2017, the Company was owed $19,585 (PLN$55,872) (2016 - $nil) from the President of G2BE Europe. The amount owed is unsecured, non-interest bearing, and due on demand.

(b) As at June 30, 2017, the Company owed $9,179 (2016 - $142,537) to the President of the Company, of which $6,795 (2016 - $141,540) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

(c) As at June 30, 2017, the Company owed $67 (2016 - $33,717) to the Chief Financial Officer of the Company, of which $67 (2016 - $28,717) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

(d) As at June 30, 2017, the Company owed $nil (2016 - $2,312 (PLN$7,041)) to a director of G2BE Europe, which was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

(e) During the year ended June 30, 2017, the Company incurred consulting and management fees of $13,000 (2016 - $85,500) to the President of the Company and $nil (2016 - $48,000) to the Chief Financial Officer of the Company.

(f) During the year ended June 30, 2017, the Company incurred management fees of $63,000 (2016 - $nil) to a company, which is controlled by the Chief Financial Officer of the Company. As at June 30, 2017, $63,000 (2016 $nil) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and is due at the earlier of December 31, 2018 or when the Company generates $450,000 of annual revenues.

(g) During the year ended June 30, 2017, the Company recorded unpaid management fees of $87,000 (2016 - $nil) to a company where the President of the Company is a director. The amount owing is unsecured, non-interest bearing, and is due at the earlier of December 31, 2018 or when the Company generates $450,000 of annual revenues.

13. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

Issued during the year ended June 30, 2017:

(a) On September 29, 2016, the Company issued 100,000 common shares at a price of $0.10 per share for proceeds of $10,000.

(b) On November 30, 2016, the Company issued 250,000 common shares at a price of $0.10 per share for proceeds of $25,000.

(c) On December 6, 2016, the Company issued 1,650,000 common shares with a fair value of $165,000 to the President of the Company to settle debt of $165,000.

13. Share Capital (continued)

Issued during the year ended June 30, 2017: (continued)

(d) On December 6, 2016, the Company issued 215,000 common shares with a fair value of $21,500 to the Chief Financial Officer of the Company to settle debt of $21,500.

(e) On December 6, 2016, the Company issued 1,066,300 common shares with a fair value of $106,630 to settle debt of $106,630.

(f) On December 15, 2016, the Company issued 273,700 common shares for proceeds of $27,370.

Issued during the year ended June 30, 2016:

(g) On August 14, 2015, the Company issued 800,000 common shares with a fair value of $80,000, of which 600,000 common shares with a fair value of $60,000 was issued to the President of G2BE Europe and 200,000 common shares with a fair value of $20,000 was issued to a director of G2BE Europe, for the provision of services.

(h) On August 14, 2015, the Company issued 3,000,000 common shares of the Company with a fair value of $300,000 pursuant to a share exchange agreement. Pursuant to the agreement, the Company received 39 common shares of the issued and outstanding shares of the Company's subsidiary, G2BE Europe.

(i) On August 21, 2015, the Company issued 500,000 common shares at $0.10 per share for proceeds of $50,000.

(j) On September 16, 2015, the Company issued 400,000 common shares at $0.10 per share for proceeds of $40,000.

(k) On January 31, 2016, the Company issued a total of 6,100,000 common shares with a fair value of $610,000 to the President of the Company and the spouse of the President of the Company upon the conversion of $305,000 of the convertible debt described in Note 10.

(l) On March 1, 2016, the Company issued 1,500,000 common shares with a fair value of $150,000 for the provision of services by the Chief Financial Officer of the Company.

(m) On March 1, 2016, the Company cancelled 2,500,000 common shares of the Company held by the President of the Company for no consideration as a result of a repricing of common shares issued to the President on June 9, 2014 for $0.01 per share.

(n) On March 4, 2016, the Company issued 1,050,000 common shares with a fair value of $105,000 of which 800,000 common shares with a fair value of $80,000 was issued to the President of G2BE Europe and 250,000 common shares with a fair value of $25,000 was issued to a director of G2BE Europe, for the provision of services.

(o) On March 30, 2016, the Company issued a total of 200,000 common shares with a fair value of $20,000 to the President of the Company and the spouse of the President of the Company upon the settlement of $20,000 of the convertible debt described in Note 10.

(p) On March 31, 2016, the Company issued 350,000 common shares with a fair value of $35,000 to settle $35,000 of advances outstanding to the Chief Financial Officer of the Company.

(q) On April 29, 2016, the Company issued 705,000 common shares at $0.10 per share for proceeds of $70,500, of which 150,000 common shares for proceeds of $15,000 were issued to the Chief Financial Officer of the Company.

(r) On May 4, 2016, the Company issued 100,000 common shares with a fair value of $10,000 for the provision of services.

(s) On June 30, 2016, the Company issued 40,000 common shares at $0.10 per share for proceeds of $4,000.

(Expressed in Canadian dollars)

14. 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 cash and equity comprised of issued share capital, and share-based payment reserve.

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 equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2016.

15. Commitments

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters other than disclosed below. Management services provided are on a month-to-month basis.

(a) The Company has entered into a lease for equipment until December 31, 2020. The Company's future minimum lease payments for the equipment leases are as follows:

	$
Fiscal year ending June 30, 2018	104,608
Fiscal year ending June 30, 2019	104,608
Fiscal year ending June 30, 2020	104,608
Fiscal year ending June 30, 2021	52,453
Total:	366,277

(b) On November 2, 2016, the Company entered into an agreement to lease equipment until August 1, 2020. The Company made an initial payment of $5,860 (PLN$16,718) and agreed to pay $2,820 (PLN$8,387) per month. The lease is secured by a cash deposit of $21,030 (PLN$60,000) together with a promissory note guaranteed by a shareholder of the Company.

(c) Commencing on January 1, 2017, the Company entered into an agreement to lease property for an indefinite period in exchange for PLN$25,000 per month plus VAT and utilities. The lease is secured by equipment owned by the Company's subsidiary and a vehicle owned by a shareholder.

(d) Commencing on January 1, 2017, the Company entered into an agreement for the purchase of electricity for the period of one year. Pursuant to the agreement, the Company will purchase an estimated total of 4000 MWh at a price of PLN$210.90/MWh.

(e) On January 17, 2017, the Company entered into a share exchange agreement (the "Agreement") with Brigade Resource Corp. ("Brigade"). Under the terms of the Agreement, Brigade will acquire all of the issued and outstanding common shares of the Company in exchange for 47,000,002 common shares of Brigade. As the shareholders of the Company will hold a majority of the common shares of Brigade and will continue its existing business, the Company is considered to have acquired Brigade on an accounting basis, and the transaction will be accounted for as a reverse takeover.

(Expressed in Canadian dollars)

16. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

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

	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, June 30, 2017 $
Cash	38,958	–	–	38,958

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, loans payable, amounts due from and to related parties, convertible debt to related parties, and obligations under finance lease, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) 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 exposure to credit risk is in its cash and accounts receivable. Cash is held with major banks in Canada, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Accounts receivable consists of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of:

	June 30, 2017	June 30, 2016
Customer A	0%	65%
Customer B	77%	0%
Customer C	14%	0%

The following table represents the customers that represented 10% or more of total revenue for the year ended June 30:

	2017	2016
Customer A	99%	25%
Customer B	0%	20%
Customer C	0%	11%
Customer D	0%	11%

16. Financial Instruments and Risk Management (continued)

(c) Foreign Currency Risk

The Company's functional currencies are the Canadian dollar (the Company), US dollar (G2BE Services), and Polish zloty (G2BE Europe and G2BE Poland). Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and some operating expenses are denominated in Canadian dollars. The Company's revenue and a large portion of operating expenses are denominated in Polish zloty. If the Polish zloty depreciates compared to the Canadian dollar, revenue would decrease in Canadian dollars. A 10% change in the foreign currency exchange rate would have an approximate impact of $30,000 on net loss. The Company manages its exposure to foreign currency fluctuations by maintaining foreign currency bank accounts to offset foreign currency payables where possible. Management relies on the natural hedge created by this matching process and thus has chosen not to otherwise hedge its foreign exchange risk. Significant balances as expressed in Polish zloty are as follows:

	June 30, 2017 PLN$	June 30, 2016 PLN$
Cash	38,658	14,099
Accounts receivable	184,559	26,695
Due from related parties	55,872	–
Prepaid expenses	44,372	19,852
Accounts payable and accrued liabilities	(1,244,442)	(705,578)
Loans payable	(628,207)	–
Obligations under finance lease	(1,039,053)	(1,129,430)
Net Polish zloty liabilities	(2,588,241)	(1,774,362)

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

As at June 30, 2017	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	712,065	712,065	712,065	–
Obligations under finance lease	364,232	364,232	81,206	283,026
	1,076,297	1,076,297	793,271	283,026

(Expressed in Canadian dollars)

17. Supplemental Cash Flow Information

	2017 $	2016 $
Non-cash investing and financing activities:		
Shares issued to settle accounts payable and accrued liabilities	106,630	–
Shares issued to settle convertible debt	–	610,000
Shares issued to settle related party debt	186,500	55,000
Supplemental disclosures:		
Interest paid	40,027	9,908
Income taxes paid	–	–

18. Segmented Information

The Company has one operating segment which is manufacturing, marketing, and distributing softwood pellets and shavings for consumer and industrial customers. The Company has operations in Canada and Poland. The geographic distribution of non-current assets is as follows:

	Canada $	Poland $	Total $
June 30, 2017			
Property and equipment	2,070	320,165	322,235

	Canada $	Poland $	Total $
June 30, 2016			
Property and equipment	2,622	395,608	398,230

All of the Company's revenue during the years ended June 30, 2017 and 2016 was generated in Poland.

19. Income Taxes

The Company operates in Canada, Singapore, and Poland and is subject to statutory income tax rates of 26%, 17%, and 19%, respectively. The income tax provision differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before taxes as follows:

	2017 $	2016 $
Statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(219,010)	(390,495)
Tax effect of:		
Permanent differences and other	8,413	231,677
Change in substantively enacted tax rates	11,798	–
Difference in tax rates between foreign jurisdictions	22,558	22,202
Change in unrecognized deferred income tax assets	176,241	136,616
Income tax provision	–	–

(Expressed in Canadian dollars)

19. Income Taxes (continued)

The significant components of the Company's deferred income taxes are as follows:

	2017 $	2016 $
Deferred income tax assets		
Non-capital losses carried forward	432,654	266,058
Property and equipment	38,812	29,167
Total deferred income tax assets	471,466	295,225
Unrecognized deferred income tax assets	(471,466)	(295,225)
Net deferred income tax assets	–	–

As at June 30, 2017, the Company has non-capital losses carried forward of $1,968,597 in Canada, Singapore, and Poland which are available to offset future years' taxable income. These losses expire as follows:

	$
2035	638,799
2036	539,499
2037	790,299
	1,968,597

20. Subsequent Events

(a) On July 12, 2017, the Company closed the Agreement with Brigade as described in Note 15(f). Pursuant to the Agreement, Brigade acquired all of the issued and outstanding common shares of the Company in exchange for 47,000,002 common shares of Brigade. As the shareholders of the Company hold a majority of the common shares of Brigade and will continue its existing business, the Company is considered to have acquired Brigade on an accounting basis, and the transaction will be accounted for as a reverse takeover.

In conjunction with the closing of the Agreement, the amounts owed described in Note 8(e) were forgiven.

(b) On August 16, 2017, the Company entered into an agreement to lease a vehicle for 35 months in exchange for a PLN$463 down payment and monthly payments of PLN$1,071.

(c) On November 10, 2017, the Company closed a non-brokered private placement of 10,436,700 units at $0.10 per unit for proceeds of $1,043,670. Each unit is comprised of one common share of the Company and one share purchase warrant which is exercisable into one additional common share of the Company for a period of two years at $0.10 per share until November 10, 2018 and $0.20 per share thereafter. The private placement is subject to finder's fees equal to 8% of the gross proceeds raised which is paid in units with the same terms as the private placement.