FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Green 2 Blue Energy Corp.** (the "Issuer")

Trading Symbol: **GTBE**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Unaudited condensed interim consolidated financial statements for the nine-month period ended March 31, 2018, as filed with the securities regulatory authorities are attached to this Form 5 as Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in the Issuer's unaudited condensed interim consolidated financial statements for the nine-month period ended March 31, 2018. Please refer to Note 10 to the unaudited condensed interim consolidated financial statements for the nine-month period ended March 31, 2018, attached hereto as Appendix "A". For information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements with respect to related party transactions, please refer to the Management's Discussion and Analysis ("MD&A") for the nine-month period ended March 31, 2018, as filed with the securities regulatory authorities and attached to this Form 5 as Appendix "B".

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

All securities issued and options granted, if any, by the Issuer have been disclosed in the Issuer's unaudited condensed interim consolidated financial statements for the nine-month period ended March 31, 2018.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Jan 5, 2018	Common Shares	Exercise of Stock Options	950,000	$0.10	$95,000	Cash	Related(1)	Nil
Jan 23, 2018	Common Shares	Exercise of Warrants	61,000	$0.10	$6,100	Cash	Unrelated	Nil
Jan 29, 2018	Common Shares	Exercise of Stock Options	600,000	$0.15	$90,000	Cash	Unrelated	Nil
Feb 5, 2018	Common Shares	Exercise of Stock Options	300,000	$0.10	$30,000	Cash	Related(1)	Nil
Feb 5, 2018	Common Shares	Exercise of Stock Options	35,000	$0.15	$5,250	Cash	Related(1)	Nil
Feb 13, 2018	Common Shares	Exercise of Warrants	10,000	$0.10	$1,000	Cash	Unrelated	Nil
Feb 15, 2018	Common Shares	Exercise of Warrants	60,000	$0.10	$6,000	Cash	Unrelated	Nil
Feb 15, 2018	Common Shares	Exercise of Stock Options	100,000	$0.10	$10,000	Cash	Related(1)	Nil
Mar 9, 2018	Units(1)	Private Placement	6,555,000	$0.25	$1,638,750	Cash	Unrelated	Nil
Mar 9, 2018	Finders' Warrants	Private Placement	335,600	$0.35	N/A	N/A	Unrelated	Nil
Mar 13, 2018	Common Shares	Exercise of Warrants	250,000	$0.10	$25,000	Cash	Unrelated	Nil
Mar 15, 2018	Common Shares	Exercise of Warrants	10,000	$0.10	$1,000	Cash	Unrelated	Nil
Mar 20, 2018	Common Shares	Exercise of Warrants	10,000	$0.10	$1,000	Cash	Unrelated	Nil
Mar 21, 2018	Common Shares	Exercise of Warrants	500,000	$0.10	$50,000	Cash	Unrelated	Nil
Mar 22, 2018	Common Shares	Exercise of Warrants	100,000	$0.10	$10,000	Cash	Unrelated	Nil
Mar 23, 2018	Common Shares	Exercise of Stock Options	100,000	$0.10	$10,000	Cash	Unrelated	Nil
Mar 23, 2018	Common Shares	Exercise of Stock Options	100,000	$0.15	$15,000	Cash	Unrelated	Nil

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Mar 26, 2018	Common Shares	Exercise of Warrants	487,500	$0.10	$48,750	Cash	Unrelated	Nil
Mar 27, 2018	Common Shares	Exercise of Warrants	410,000	$0.10	$41,000	Cash	Unrelated	Nil
Mar 28, 2018	Common Shares	Exercise of Warrants	10,000	$0.10	$1,000	Cash	Unrelated	Nil

NOTE:

(1) Exercise of Stock Options from various directors and/or Officers of the Issuer.

(2) Each Unit consists of one common share and one transferrable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Issuer on or before March 9, 2020 at an exercise price of $0.35.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Jan 5, 2018	500,000	S.S. Related Person	Director, Officer	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	500,000	M.Y Related Person	Director, Officer	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	150,000	G.L. Related Person	Director	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	600,000	P.D. Corporation Ltd. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	200,000	S.S. Related Person	Officer of subsidiary of Company	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	150,000	Z.F. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	250,000	B.W. Related Person	Officer of subsidiary of Company	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	50,000	J.F. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	100,000	S.V. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Jan 5, 2018	100,000	R.G. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15
Jan 5, 2018	50,000	R.S. Unrelated Person	Consultant	$0.15	Jan 5, 2023	$0.15

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common Shares	Unlimited	NPV

(b) number and recorded value for shares issued and outstanding,

Description	Number Issued and Outstanding	Value
Common Shares	75,827,402	$5,625,225

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
Stock Options	160,000	$1.00	May 31, 2020
Stock Options	100,000	$1.00	October 28, 2020
Stock Options	1,100,000	$0.10	November 21, 2020
Stock Options	1,915,000	$0.15	January 5, 2023
Stock Options	200,000	$0.365	January 23, 2023
TOTAL:	**3,475,000**		

Description	Number Outstanding	Exercise Price	Expiry Date
Warrants	8,834,000	$0.10(1)	November 10, 2019
Warrants	1,025,000	$0.30(2)	November 24, 2019
Warrants	2,187,400	$0.10(3)	December 12, 2019
Warrants	6,890,600	$0.35	March 7, 2020
TOTAL:	**18,937,000**		

NOTE:

(1) Exercisable at $0.10 to November 10, 2018, and thereafter at $0.20 to November 10, 2019.
(2) Exercisable at $0.10 to November 24, 2018, and thereafter at $0.20 to November 24, 2019.
(3) Exercisable at $0.10 to December 12, 2018, and thereafter at $0.20 to December 12, 2019.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Description	Number	Number Released During the Period
Escrowed and Restricted Shares	28,454,114	Nil

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Slawomir Smulewicz	President, Chief Executive Officer, Corporate Secretary and Director
Michael Young	Chief Financial Officer, and Director
Glenn Little	Director
Andrew Lee	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion and Analysis ("MD&A") for the nine-month period ended March 31, 2018, attached to this Form 5 as Appendix "B".

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated June 7, 2018

Michael Young
Name of Director or Senior Officer

"Michael Young"
Signature

Chief Financial Officer and Director
Official Capacity

Issuer Details Name of Issuer Green 2 Blue Energy Corp.	For Quarter Ended March 31, 2018	Date of Report YY/MM/DD 18/06/07
Issuer Address Suite 1518, 800 West Pender Street Vancouver, BC V6C 2V6	Issuer Fax No. 778-372-1732	Issuer Telephone No. 604-428-4725
Contact Name Michael Young	Contact Position Chief Financial Officer and Director	Contact Telephone No. 604-428-4725
Contact Email Address m.young@g2benergy.biz	Web Site Address http://g2benergy.com/	

APPENDIX "A"

GREEN 2 BLUE ENERGY CORP.

(formerly Brigade Resource Corp.)

Condensed Interim Consolidated Financial Statements

March 31, 2018 and 2017

(Expressed in Canadian dollars)

(Unaudited)

GREEN 2 BLUE ENERGY CORP.
(formerly Brigade Resource Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	March 31, 2018 $	June 30, 2017 $
Assets		
Current assets		
Cash	1,041,055	38,958
Accounts receivable (Note 5)	289,312	74,096
Due from related parties (Note 10)	16,218	19,585
Inventory (Note 6)	393,148	10,974
Prepaid expenses	150,753	22,774
Total current assets	1,890,486	166,387
Non-current assets		
Property and equipment (Note 7)	395,192	322,235
Total assets	2,285,678	488,622
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	825,041	712,065
Current portion of loans payable (Note 8)	138,366	300,309
Due to related parties (Note 10)	2,384	2,384
Current portion of obligations under finance lease (Note 9)	135,782	81,206
Total current liabilities	1,101,573	1,095,964
Non-current liabilities		
Loans payable (Note 8)	–	118,106
Obligations under finance lease (Note 9)	234,665	283,026
Total liabilities	1,336,238	1,497,096
Shareholders' equity (deficit)		
Share capital	5,625,225	1,659,637
Share-based payment reserve	586,251	376,846
Subscriptions received	18,750	–
Deficit	(5,145,078)	(3,002,013)
Accumulated other comprehensive loss	(125,664)	(43,327)
Total Green 2 Blue Energy Corp. shareholders' equity (deficit)	959,484	(1,008,857)
Non-controlling interest	(10,044)	383
Total shareholders' equity (deficit)	949,440	(1,008,474)
Total liabilities and shareholders' equity (deficit)	2,285,678	488,622

Going concern (Note 2(d))
Commitments (Note 15)
Subsequent events (Note 19)

Approved and authorized for issuance by the Board of Directors on May 30, 2018:

/s/ "Slawomir Smulewicz"
Slawomir Smulewicz, Director

/s/ "Michael Young"
Michael Young, Director

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

GREEN 2 BLUE ENERGY CORP.
(formerly Brigade Resource Corp.)
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended March 31, 2018 $	Three Months Ended March 31, 2017 $	Nine Months Ended March 31, 2018 $	Nine Months Ended March 31, 2017 $
Sales	419,384	198,427	809,963	222,778
Cost of sales	(284,723)	(192,210)	(620,350)	(212,301)
Gross profit	134,661	6,217	189,613	10,477
Operating Expenses				
Consulting and management fees (Note 10)	135,451	95,500	450,451	202,130
Depreciation	1,474	1,694	4,059	48,891
Foreign exchange (gain) loss	19,343	(2,062)	24,692	(2,062)
General and administrative	289,116	70,100	583,893	162,482
Listing expense	–	–	534,198	–
Professional fees	8,154	55,119	91,231	78,935
Share-based payments	387,367	–	613,626	–
Travel	42,520	4,688	48,548	22,504
Wages and benefits	5,599	863	6,200	16,078
Total operating expenses	889,024	225,902	2,356,898	528,958
Net loss before other income (expense)	(754,363)	(219,685)	(2,167,285)	(518,481)
Other income (expense)				
Accretion of discount on convertible debt	–	–	–	(22,073)
Change in fair value of derivative liabilities	–	–	–	26,085
Gain on disposal of investments	–	33,483	–	33,483
Gain on disposal of property, plant, and equipment	–	21,494	–	21,494
Other income	28,783	–	28,783	–
Interest income (expense)	(7,818)	(8,986)	(14,990)	(40,152)
Total other income (expense)	20,965	45,991	13,793	18,837
Net loss for the period	(733,398)	(173,694)	(2,153,492)	(499,644)
Less: net loss attributable to the non-controlling interest	7,147	170	10,427	1,059
Net loss attributable to Green 2 Blue Energy Corp.	(726,251)	(173,524)	(2,143,065)	(498,585)
Foreign currency translation adjustments	(16,239)	(20,749)	(82,337)	(8,822)
Comprehensive loss attributable to Green 2 Blue Energy Corp.	(742,490)	(194,273)	(2,225,402)	(507,407)
Basic and diluted loss attributable to Green 2 Blue Energy Corp.	(0.01)	(0.01)	(0.04)	(0.02)
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	68,742,508	23,500,001	57,060,084	21,458,365

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

GREEN 2 BLUE ENERGY CORP.
(formerly Brigade Resource Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Common Shares Number	Common Shares Amount $	Share-based Payment Reserve $	Common Stock Subscribed $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Non-controlling Interest $	Total Shareholders' Deficit $
Balance, June 30, 2016	4,332,000	1,304,137	376,846	–	(2,160,069)	(9,846)	784	(488,148)
Issuance of common shares for cash	1,296,000	–	–	–	–	–	–	–
Issuance of common shares for finder's fee	96,400	–	–	–	–	–	–	–
Issuance of common shares for settlement of notes payable	846,000	–	–	–	–	–	–	–
Issuance of common shares for cash	–	62,370	–	–	–	–	–	62,370
Issuance of common shares for conversion of related party debt	–	186,500	–	–	–	–	–	186,500
Issuance of common shares for conversion of debt	–	106,630	–	–	–	–	–	106,630
Net loss	–	–	–	–	(498,585)	–	(1,059)	(499,644)
Other comprehensive loss	–	–	–	–	–	(8,822)	–	(8,822)
Balance, March 31 2017	6,570,400	1,659,637	376,846	–	(2,658,654)	(18,668)	(275)	(641,114)

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

GREEN 2 BLUE ENERGY CORP.
(formerly Brigade Resource Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Common Shares		Share-based Payment Reserve	Common Stock Subscribed	Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Shareholders' Equity (Deficit)
	Number	Amount $	$	$	$	$	$	$
Balance, June 30, 2017	6,570,400	1,659,637	376,846	–	(3,002,013)	(43,327)	383	(1,008,474)
Equity issued per reverse takeover of Green 2 Blue Energy Corp.	47,000,002	657,040	(247,793)	291,120	–	–	–	700,367
Issuance of units for cash	11,461,700	1,146,170	–	(291,120)	–	–	–	855,050
Issuance of units for finder's fee	146,800	14,680	–	–	–	–	–	14,680
Share issuance costs	–	(21,466)	6,786	–	–	–	–	(14,680)
Issuance of units for cash	6,555,000	1,638,750	–	–	–	–	–	1,638,750
Share issuance costs	–	(132,108)	53,208	–	–	–	–	(78,900)
Issuance of shares upon the exercise of options	2,185,000	255,250	–	–	–	–	–	255,250
Issuance of shares upon the exercise of warrants	1,908,500	190,850	–	–	–	–	–	190,850
Reallocation of share-based payments on exercise of options	–	216,422	(216,422)	–	–	–	–	–
Subscriptions received	–	–	–	18,750	–	–	–	18,750
Share-based compensation	–	–	613,626	–	–	–	–	613,626
Net loss	–	–	–	–	(2,143,065)	–	(10,427)	(2,153,492)
Foreign currency translation loss	–	–	–	–	–	(82,337)	–	(82,337)
Balance, March 31, 2018	75,827,402	5,625,225	586,251	18,750	(5,145,078)	(125,664)	(10,044)	949,440

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

GREEN 2 BLUE ENERGY CORP.
(formerly Brigade Resource Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Nine Months Ended March 31, 2018 $	Nine Months Ended March 31, 2017 $
Operating activities		
Net loss	(2,153,492)	(499,644)
Items not affecting cash:		
Accretion of discount on convertible debt	–	22,073
Change in fair value of derivative liabilities	–	(26,085)
Depreciation	4,059	48,891
Non-cash listing expense	534,198	–
Share-based compensation	613,626	–
Gain on disposal of equipment	–	(21,494)
Changes in non-cash operating working capital:		
Accounts receivable	(205,014)	(68,886)
Inventory	(300,864)	(73,905)
Prepaid expenses	(127,979)	(11,995)
Accounts payable and accrued liabilities	19,213	104,546
Due to related parties	3,367	156,272
Net cash used in operating activities	(1,612,886)	(370,227)
Investing activities		
Purchase of property and equipment	(130,892)	–
Proceeds from sale of equipment	–	26,558
Cash acquired upon recapitalization	5,459	–
Net cash (used in) provided investing activities	(125,433)	26,558
Financing activities		
Repayment of finance lease obligations	(25,734)	(11,769)
Proceeds from loans payable	1,841	311,454
Repayment of loans payable	(71,812)	(26,222)
Repayment of convertible debt	–	(2,033)
Proceeds from common shares issued	2,861,000	62,370
Proceeds from common stock subscribed	18,750	–
Proceeds from convertible notes payable to a related party	–	20
Net cash provided by financing activities	2,784,045	333,820
Effects of exchange rate changes on cash	(43,629)	10,238
Change in cash	1,002,097	389
Cash, beginning of period	38,958	5,244
Cash, end of period	1,041,055	5,633

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 (Formerly Brigade Resource Corp.) (the "Company") was incorporated on October 9, 2014 in British Columbia under the Business Corporations Act. The Company was previously engaged in the business of mineral exploration and the acquisition of mineral property assets in Ontario through its subsidiary, Brigadier. The Company has since terminated all of its mineral property interests.

On January 16, 2017, the Company entered into a Share Exchange Agreement (the "Acquisition") with G2BE Canada Inc. ("G2BE"), a private British Columbia company incorporated on May 30, 2014 for a reverse-takeover transaction whereby the Company would acquire all of the issued and outstanding common shares in the capital of G2BE.

On July 21, 2017, the Company completed the Acquisition with G2BE by issuing 47,000,002 common shares to the G2BE shareholders on the basis of one common share for every one G2BE common share. Upon completion of the Acquisition, the G2BE shareholders held approximately 87% of the issued and outstanding company shares of the Company. As the shareholders of the G2BE hold a majority of the common shares of the Company and will continue its existing business, G2BE is considered to have acquired the Company on an accounting basis, and the transaction was accounted for as a reverse takeover.

Accordingly, the Company is now in the business of manufacturing, marketing, and distributing softwood pellets and shavings for consumer and industrial customers and arranging transactions between buyers and sellers of alternative energy products. The Company's registered office is located at Suite 1080, 789 West Pender Street, Vancouver BC.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2017, which have been prepared in accordance with IFRS as issued by the IASB. The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements.

These interim consolidated financial statements include the accounts of the Company and its subsidiaries: (i) G2BE Canada Inc. ("G2BE"), a private British Columbia company incorporated on May 30, 2014; 100% owned by the Company; (ii) Green 2 Blue Energy Europe Sp. z.o.o. ("G2BE Europe"), incorporated in Poland in October 2014 and 99.5% owned by G2BE; and (iii) G2BE Poland Sp z o.o. ("G2BE Poland"), incorporated in Poland and owned 99% by the G2BE Europe.

All significant intercompany transactions have been eliminated on consolidation.

(b) Basis of Measurement

These interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The Company and G2BE's functional currency is Canadian dollars. G2BE Europe and G2BE Poland's functional currency is Polish zloty ("PLN$").

2. Basis of Presentation (continued)

(c) Use of Estimates and Judgments (continued)

The preparation of these interim 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 and judgment include the collectability of accounts receivable, useful life and recoverability of long-lived assets, measurement of provisions, valuation of inventory, fair value of derivative liabilities, fair value of share-based payments, application of the going concern assumption, and deferred income tax asset valuation allowances.

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 interim 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 March 31, 2018, the Company had a negative cash flow from operations, had an accumulated deficit of $5,145,078. Furthermore, the Company incurred a net loss of $2,143,065 during the nine months ended March 31, 2018. To obtain future profitability, the Company will need to increase the volume of production and sales, and is reliant on the co-operation on creditors to pay outstanding amounts on a timely basis. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. 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.

(Expressed in Canadian dollars)

3. Recent Accounting Pronouncements

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 IFRSs that have not been early adopted in these interim consolidated financial statements will not have a material effect on the Company's future results and financial position:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9);
ii) IFRS 16, *Leases* (New).

In addition, IFRS 15, *Revenue from Contracts with Customers* is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on July 1, 2018. The Company has commenced an assessment of the potential impact of IFRS 15 on its consolidated financial statements and expects to provide disclosure of the qualitative and quantitative analysis in the fourth quarter of fiscal 2018.

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. Share Exchange Agreement

The Company and G2BE entered into a share exchange agreement dated January 17, 2017 (the "Transaction"), pursuant to which the Company acquired all of the issued and outstanding capital stock, being 47,000,002 common shares, of G2BE in consideration for the issuance of 47,000,002 common shares of the Company. Upon closing of the Transaction on July 21, 2017, the Company had 53,570,402 common shares outstanding, and the former shareholders of G2BE held 87% of the Company's common shares. Accordingly, G2BE is considered to have acquired the Company with the transaction being accounting for as a reverse takeover of the Company by G2BE shareholders (the "RTO").

As consideration for the outstanding shares of G2BE, the Company issued 47,000,002 common shares to G2BE shareholders with a fair value of $657,040. As a result of the RTO, the consolidated statement of financial position has been adjusted for the elimination of the Company's share capital, reserves and accumulated deficit within shareholders' equity, and a listing expense of $534,198 has been recognized. This reflects the difference between the estimated fair value of G2BE shares to the Company's shareholders less the fair value of net assets of the Company acquired. The total purchase price was allocated to the net assets of the Company as follows:

Purchase Price	
47,000,002 common shares	$ 657,040
Total Purchase Price	$ 657,040
Allocation of Purchase Price	
Cash	$ 5,459
Loan receivable	200,944
Taxes recoverable	10,202
Accounts and accrued liabilities	(93,763)
Charge related to public company listing	534,198
	$ 657,040

(Expressed in Canadian dollars)

5. Accounts Receivable

	March 31, 2018 $	June 30, 2017 $
Trade accounts receivable	146,198	33,259
GST and VAT receivable	143,114	40,837
	289,312	74,096

6. Inventory

	March 31, 2018 $	June 30, 2017 $
Raw materials	241,016	10,974
Finished goods	152,132	–
	393,148	10,974

7. Property and Equipment

	Assets Under Construction $	Forklift $	Furniture and Fixtures $	Technical Equipment and Machinery $	Total $
Cost:					
Balance, June 30, 2017	25,046	3,705	2,760	548,266	579,777
Foreign currency translation adjustments	1,889	279	–	41,340	43,508
Additions	112,622	–	–	25,553	138,175
Balance, March 31, 2018	139,557	3,984	2,760	615,159	761,460
Accumulated depreciation:					
Balance, June 30, 2017	–	1,254	690	259,558	261,502
Foreign currency translation adjustments	–	94	–	15,312	15,406
Additions	–	418	414	88,528	89,360
Balance, March 31, 2018	–	1,766	1,104	363,398	366,268
Carrying amounts:					
Balance, June 30, 2017	25,046	2,451	2,070	292,668	322,235
Balance, March 31, 2018	139,557	2,218	1,656	251,761	395,192

(Expressed in Canadian dollars)

8. Loans Payable

(a) As at March 31, 2018, the Company owed $nil (June 30, 2017 - $25,000) 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 March 31, 2018, the Company owed $1,885 (PLN$5,000) (June 30, 2017 - $1,754 (PLN$5,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and was due on July 31, 2016.

(c) As at March 31, 2018, the Company owed $9,424 (PLN$25,000) (June 30, 2017 - $8,763 (PLN$25,000)) to an unrelated third party, which is unsecured, bears interest at 10% per annum, and was due on June 30, 2018.

(d) As at March 31, 2018, the Company owed $nil (June 30, 2017 - $57,524 (PLN$164,100)) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and was due on June 30, 2018.

(e) As at March 31, 2018, the Company owed $nil (June 30, 2017 - $8,763 (PLN$25,000)) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and was due on December 31, 2017.

(f) As at March 31, 2018, the Company owed $nil (June 30, 2017 - $14,133 (PLN$40,318)) to the President of G2BE Europe, which is unsecured, bears interest at 5% per annum, and was due on December 31, 2017.

(g) As at March 31, 2018, the Company owed $67,855 (PLN$180,000) (June 30, 2017 - $63,105 (PLN$180,000)) 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.

(h) As at March 31, 2018, the Company owed $59,202 (PLN$156,923) (June 30, 2017 - $55,001 (PLN$156,923)) 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

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 March 31, 2018:

Year ending June 30:	$
2018	84,382
2019	112,510
2020	112,510
2021	56,255
Net minimum lease payments	365,657
Residual value	56,758
Less: amount representing interest payments	(51,968)
Present value of net minimum lease payments	370,447
Less: current portion	(135,782)
Non-current portion	234,665

10. Related Party Transactions

(a) As at March 31, 2018, the Company was owed $706 (PLN$1,872) (June 30, 2017 - $19,585 (PLN$55,872)) from the President of G2BE Europe. The amount owed is unsecured, non-interest bearing, and due on demand.

(b) As at March 31, 2018, the Company owed a loan payable of $nil (June 30, 2017 - $14,133 (PLN$40,318)) to the President of G2BE Europe. Refer to Note 8(f).

(c) As at March 31, 2018, the Company owed $2,384 (June 30, 2017 - $9,179) to the President of the Company and a company controlled by the President of the Company, of which $nil (June 30, 2017 - $6,795) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

(d) As at March 31, 2018, the Company owed $898 (June 30, 2017 - $67) to the Chief Financial Officer of the Company and a company controlled by the Chief Financial Officer of the Company, of which $898 (June 30, 2017 - $67) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

(e) During the nine months ended March 31, 2018, the Company recorded management fees of $114,375 (2017 - $52,500) and share-based compensation of $104,068 (2017 - $nil) to a company controlled by the President of the Company.

(f) During the nine months ended March 31, 2018, the Company recorded management fees of $91,500 (2017 - $30,000) and share-based compensation of $104,068 (2017 - $nil) to a company controlled by the Chief Financial Officer of the Company.

(g) During the nine months ended March 31, 2018, the Company recorded consulting fees of $45,000 (2017 - $nil) and share-based compensation of $62,276 (2017 - $nil) to a Director of the Company.

(h) During the nine months ended March 31, 2018, the Company recorded professional fees of $4,500 (2017 - $nil) and share-based compensation of $8,873 (2017 - $nil) to a Director of the Company.

11. Share Capital

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares without par value. The Company has not issued any preferred shares since inception.

Common Shares

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

Issued during the nine months ended March 31, 2018:

(a) On July 21, 2017, the Company issued 47,000,002 common shares with a fair value of $657,040 to the G2BE shareholders upon closing of the Transaction as described in Note 4.

(b) On November 10, 2017, the Company closed a non-brokered private placement offering (the "Financing") of 10,436,700 units (the "Units") at a price of $0.10 per Unit for gross proceeds of $1,043,670. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.10 per share for a period of 12 months from the closing of the Financing and thereafter at a price of $0.20 per share until 24 months from the closing of the Financing. In connection with the Financing, the Company issued 146,800 Units with a fair value of $0.10 per share as finder's fees and 108,000 warrants with a fair value of $6,786 as finder's fees.

11. Share Capital (continued)

(c) On November 24, 2017, the Company closed a non-brokered private placement offering (the "Financing") of 1,025,000 units (the "Units") at a price of $0.10 per Unit for gross proceeds of $102,500. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.10 per share for a period of 12 months from the closing of the Financing and thereafter at a price of $0.20 per share until 24 months from the closing of the Financing.

(d) On January 5, 2018, the Company issued 950,000 shares of common stock upon the exercise of 950,000 share purchase options at $0.10 per share for proceeds of $95,000.

(e) On January 23, 2018, the Company issued 61,000 shares of common stock upon the exercise of 61,000 share purchase warrants at $0.10 per share for proceeds of $6,100.

(f) On January 29, 2018, the Company issued 600,000 shares of common stock upon the exercise of 600,000 share purchase options at $0.15 per share for proceeds of $90,000.

(g) On February 5, 2018, the Company issued 300,000 shares of common stock upon the exercise of 300,000 share purchase options at $0.10 per share for proceeds of $30,000.

(h) On February 5, 2018, the Company issued 35,000 shares of common stock upon the exercise of 35,000 share purchase options at $0.15 per share for proceeds of $5,250.

(i) On February 13, 2018, the Company issued 10,000 shares of common stock upon the exercise of 10,000 share purchase warrants at $0.10 per share for proceeds of $1,000.

(j) On February 15, 2018, the Company issued 60,000 shares of common stock upon the exercise of 60,000 share purchase warrants at $0.10 per share for proceeds of $6,000.

(k) On February 15, 2018, the Company issued 100,000 shares of common stock upon the exercise of 100,000 share purchase options at $0.10 per share for proceeds of $10,000.

(l) On March 7, 2018, the Company closed a non-brokered private placement offering (the "Financing") of 6,555,000 units (the "Units") at a price of $0.25 per Unit for gross proceeds of $1,638,750. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 per share for a period of 24 months from the closing of the Financing. In connection with the Financing, the Company paid $78,900 of finder's fees and issued 335,600 warrants with a fair value of $53,208 as finder's fees.

(m) On March 13, 2018, the Company issued 250,000 shares of common stock upon the exercise of 250,000 share purchase warrants at $0.10 per share for proceeds of $25,000.

(n) On March 15, 2018, the Company issued 10,000 shares of common stock upon the exercise of 10,000 share purchase warrants at $0.10 per share for proceeds of $1,000.

(o) On March 20, 2018, the Company issued 10,000 shares of common stock upon the exercise of 10,000 share purchase warrants at $0.10 per share for proceeds of $1,000.

(p) On March 21, 2018, the Company issued 500,000 shares of common stock upon the exercise of 500,000 share purchase warrants at $0.10 per share for proceeds of $50,000.

(q) On March 22, 2018, the Company issued 100,000 shares of common stock upon the exercise of 100,000 share purchase warrants at $0.10 per share for proceeds of $10,000.

(r) On March 23, 2018, the Company issued 100,000 shares of common stock upon the exercise of 100,000 share purchase options at $0.10 per share for proceeds of $10,000.

(s) On March 23, 2018, the Company issued 100,000 shares of common stock upon the exercise of 100,000 share purchase options at $0.15 per share for proceeds of $15,000.

(t) On March 26, 2018, the Company issued 487,500 shares of common stock upon the exercise of 487,500 share purchase warrants at $0.10 per share for proceeds of $48,750.

(Expressed in Canadian dollars)

11. Share Capital (continued)

(u) On March 27, 2018, the Company issued 410,000 shares of common stock upon the exercise of 410,000 share purchase warrants at $0.10 per share for proceeds of $41,000.

(v) On March 28, 2018, the Company issued 10,000 shares of common stock upon the exercise of 10,000 share purchase warrants at $0.10 per share for proceeds of $1,000.

12. Stock Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each stock option may be no less than the greater of $0.10 per share and the closing market price of the Company's shares on the trading day immediately preceding the date of grant of the option, less any applicable discount allowed by the stock exchange on which the shares are traded, as calculated on the date of grant.

The following table summarizes information about the stock options.

	Nine Months Ended March 31, 2018		Year Ended June 30, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of period	260,000	$ 1.00	260,000	$ 1.00
Granted	5,500,000	$ 0.13	–	–
Exercised	(2,185,000)	$ 0.12	–	–
Cancelled	(100,000)	$ 0.15	–	–
Outstanding – end of period	3,475,000	$ 0.21	260,000	$ 1.00
Exercisable – end of period	3,475,000	$ 0.21	260,000	$ 1.00

The following table summarizes information about stock options outstanding and exercisable as at March 31, 2018.

Exercise Price	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
$ 1.00	May 31, 2020	160,000	160,000	2.17
$ 1.00	October 28, 2020	100,000	100,000	2.58
$ 0.10	November 21, 2022	1,100,000	1,100,000	4.65
$ 0.15	January 23, 2023	1,915,000	1,915,000	4.77
$ 0.365	March 15, 2023	200,000	200,000	4.96
		3,475,000	3,475,000	4.56

(Expressed in Canadian dollars)

12. Stock Options (continued)

Share-based compensation expense is determined using the Black-Scholes Option Pricing Model. During the nine months ended March 31, 2018, the Company recognized share-based compensation expense of $613,626 (2017 - $nil) in share-based payment reserve. The weighted average fair value of the options granted during the nine months ended March 31, 2018, was $0.11 (2017 - $nil). Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2018	2017
Risk-free rate	1.82%	nil%
Dividend yield	nil%	nil%
Volatility factor of the expected market price of the Company's common shares	124%	nil%
Weighted average expected life of the options (years)	5.00	nil

13. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2017	2,238,400	$ 0.10
Issued	18,607,100	$ 0.19
Exercised	(1,908,500)	$ 0.10
Expired	–	–
Balance, March 31, 2018	18,937,000	$ 0.19

The following table summarizes information about warrants outstanding and exercisable at March 31, 2018:

Warrants Outstanding	Exercise Price	Expiry Date
8,834,000	$0.10*	November 10, 2019
1,025,000	$0.10**	November 24, 2019
6,890,600	$0.35	March 7, 2018
2,187,400	$ 0.10***	December 12, 2019

* *Exercisable at $0.10 per share to November 10, 2018, and thereafter at $0.20 per share to November 10, 2019.*

** *Exercisable at $0.10 per share to November 24, 2018, and thereafter at $0.20 per share to November 24, 2019.*

****Exercisable at $0.10 per share to December 12, 2018, and thereafter at $0.20 per share to December 12, 2019.*

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.

(Expressed in Canadian dollars)

14. Capital Management (continued)

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, 2017.

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 ceased making payments in September 2017 and is currently renegotiating the lease. The Company's future minimum lease payments for the existing equipment leases are as follows:

	$
Fiscal year ending June 30, 2018	84,382
Fiscal year ending June 30, 2019	112,510
Fiscal year ending June 30, 2020	112,510
Fiscal year ending June 30, 2021	56,255
Total:	365,657

(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 $6,039 (PLN$16,718) and agreed to pay $3,162 (PLN$8,387) per month. The lease is secured by a cash deposit of $21,672 (PLN$60,000) together with a promissory note guaranteed by a shareholder of the Company.

(c) On November 9, 2016, the Company entered into an agreement for the purchase of feed stock and sale wood pellets for an indefinite period. Pursuant to the agreement, the Company will purchase feed stock from the supplier and sell wood pellets to the supplier. The sale price of the wood pellets will be based on the purchase price of the feed stock and guarantees a fixed margin of production. The agreement may be terminated by either party with 3 months' notice.

(d) 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.

(e) 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.

(f) The Company has entered into a new lease for an automobile until July 16, 2020. The Company's future minimum lease payments for the automobile lease is as follows:

	$
Fiscal year ending June 30, 2018	2,422
Fiscal year ending June 30, 2019	4,843
Fiscal year ending June 30, 2020	4,843
Fiscal year ending June 30, 2021	404
Total:	12,512

(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, March 31, 2018 $
Cash	1,041,055	–	–	1,041,055

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, 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 receivables. 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:

	March 31, 2018	June 30, 2017
Customer A	67%	77%
Customer B	8%	14%

The following table represents the customers that represented 10% or more of total revenue for the nine months ended March 31:

	2018	2017
Customer A	77%	99%

16. Financial Instruments and Risk Management (continued)

(c) Currency Risk

The Company's functional currencies are the Canadian dollar and Polish zloty. 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:

	March 31, 2018 PLN$	June 30, 2017 PLN$
Cash	48,977	38,658
Accounts receivable	804,236	184,559
Due from related parties	88,721	55,872
Inventory	1,042,904	–
Prepaid expenses	363,554	44,372
Accounts payable and accrued liabilities	(1,986,205)	(1,244,442)
Loans payable	(400,807)	(628,207)
Obligations under finance lease	(982,688)	(1,039,053)
Net Polish zloty liabilities	(1,021,308)	(2,588,241)

(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 March 31, 2018	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	825,041	825,041	825,041	–
Obligations under finance lease	370,447	370,447	168,765	201,682
	1,195,488	1,195,488	993,806	201,682

(Expressed in Canadian dollars)

17. Supplemental Cash Flow Information

	March 31, 2018 $	March 31, 2017 $
Non-cash investing and financing activities:		
Shares issued to settle debt	–	106,630
Shares issued to settle related party debt	–	186,500
Supplemental disclosures:		
Interest paid	13,565	–
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 $
March 31, 2018			
Property and equipment	1,656	393,536	395,192

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

All of the Company's revenue during the nine months ended March 31, 2018 and 2017, was generated in Poland.

19. Subsequent Events

(a) On April 13, 2018, the Company closed a non-brokered private placement offering (the "Financing") of 14,266,665 units (the "Units") at a price of $0.30 per Unit for gross proceeds of $4,280,000. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 per share for a period of 18 months from the closing of the Financing.

(b) On April 11, 2018, the Company entered into a consulting agreement whereby the consultant will provide consulting services in exchange for US$145,000.

(c) Subsequent to March 31, 2018, a total of 1,121,500 warrants were exercised at $0.10 per share for total proceeds of $112,150.

APPENDIX "B"

GREEN 2 BLUE ENERGY CORP.
(FORMERLY BRIGADE RESOURCE CORP.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2018

This discussion and analysis of financial position and results of operations is prepared as at May 30, 2018 and should be read in conjunction with the unaudited interim financial statements for the nine months ended March 31, 2018, of Green 2 Blue Energy Corp. ("G2B" or the "Company"). The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information.

Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

Forward-looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this MD&A and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. The forward-looking statements contained herein are expressly qualified by this cautionary statement

DESCRIPTION OF BUSINESS

The Company was incorporated as a wholly-owned subsidiary of Voltaire Services Corp. ("Voltaire") pursuant to the Business Corporations Act ("BCBCA") on October 9, 2014 under the name "Brigade Resource Corp.". Its head office is located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered and records office is located at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

On November 20, 2014, the Company entered into the Arrangement Agreement with Voltaire and Brigadier Exploration Corp. ("Brigadier"). Brigadier was incorporated pursuant to the BCBCA on August 13, 2014. The Arrangement Agreement contemplated the Arrangement whereby the Company would become a reporting issuer in the provinces of Alberta and British Columbia and Brigadier would become a wholly-owned subsidiary of the Company. The Arrangement was approved by the Supreme Court of British Columbia on January 5, 2015 and was completed on July 6, 2015.

On March 3, 2017, the Company's subsidiaries, Brigadier Exploration Corp., Battalion Capital Corp. and Hussar Exploration Corp. merged with the Company through a vertical short form amalgamation, which was approved by the Company's Board of Directors on March 2, 2017.

On July 21, 2017, the Company changed its name to "Green 2 Blue Energy Corp.".

The Company was previously engaged in the business of mineral exploration and the acquisition of mineral property assets in Ontario through its subsidiary, Brigadier. The Company has since terminated all of its mineral property interests.

On January 16, 2017, the Company entered into a Share Exchange Agreement (the "Acquisition") with G2BE Canada Inc. ("G2BE"), a private British Columbia company incorporated on May 30, 2014 for a reverse-takeover transaction whereby the Company would acquire all of the issued and outstanding common shares in the capital of G2BE.

On July 21, 2017, the Company completed the Acquisition with G2BE by issuing 47,000,002 common shares to the G2BE shareholders on the basis of one common share for every one G2BE common share. Upon completion of the Acquisition, the G2BE shareholders held approximately 87% of the issued and outstanding company shares of the Company. As the shareholders of the G2BE hold a majority of the common shares of the Company and will continue its existing business, G2BE is considered to have acquired the Company on an accounting basis, and the transaction was accounted for as a reverse takeover.

Consequently, the Company now has three subsidiaries: (i) G2BE, which was incorporated under the BCBCA on May 30, 2014; (ii) Green 2 Blue Energy Europe Sp. z o.o. ("G2BEE"), which is 99.5% owned by G2BE and was incorporated under the laws of Poland on October 13, 2014; and (iii) G2BE Poland Sp. z o.o., which is 99% owned by G2BEE and was incorporated under the laws of Poland on June 28, 2016.

The Company is now engaged in the production of wood pellets at its facility in Rzeczenica, Poland, that are sold and used for both residential and commercial heat and power generation.

On November 10, 2017, the Company completed an equity financing by way of private placement relying on the prospectus and registration exemptions pursuant to NI 45-106 and other applicable laws, rules and regulations to issue 10,436,700 units of the Company at a price of $0.10 per unit to raise gross proceeds of $1,043,670. In addition, 146,800 units were issued as finder's fees. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder thereof to purchase one common share for the price of $0.10 per share for a twelve-month period and thereafter for the price of $0.20 per share for an additional twelve-month period.

On November 24, 2017, the Company closed a non-brokered private placement offering (the “Financing”) of 1,025,000 units (the “Units”) at a price of $0.10 per Unit for gross proceeds of $102,500. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.10 per share for a period of 12 months form the closing of the Financing and thereafter at a price of $0.20 per share until 24 months from the closing of the Financing.

On March 7, 2018, the Company closed a non-brokered private placement offering (the “Financing”) of 6,555,000 units (the “Units”) at a price of $0.25 per Unit for gross proceeds of $1,638,750. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 per share for a period of 24 months from the closing of the Financing. In connection with the Financing, the Company paid $78,900 of finder’s fees and issued 335,600 warrants with a fair value of $53,208 as finder’s fees.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

The following table summarizes the results of our operations for the three months ended March 31, 2018 and 2017 together with the changes to those items:

	Three Months Ended March 31,	
	2018	**2017**
Revenue	$ 419,384	$ 198,427
Cost of sales	(284,723)	(192,210)
Operating expenses	889,024	225,902
Consulting and management fees	135,451	95,500
General and administrative	289,116	70,100
Share-based compensation expense	387,367	–
Total other income (expense)	20,965	45,991
Net loss for the period	(733,398)	(173,694)
Basic and diluted loss per share	(0.01)	(0.01)

Revenue for the three months ended March 31, 2018 was $419,384, compared to $198,427 for the three months ended March 31, 2017. Cost of sales for the three months ended March 31, 2018, were $284,723, compared to $192,210 for the three months ended March 31, 2017. The increase in revenue, and corresponding increase in cost of sales, was due to an increase in production of pellets.

Operating expenses for the three months ended March 31, 2018, were $889,024, compared to $225,902 for the three months ended March 31, 2017. The significant differences in expenditures were as follows:

- Consulting and management fees were $135,451 during the three months ended March 31, 2018, compared to $95,500 during the three months ended March 31, 2017. The Company incurred management fees of $39,375 to the President of the Company, $31,500 to the CFO of the Company, and consulting fees of $15,000 to a

Director of the Company during the three months ended March 31, 2018, as compared to $52,500, $30,000 and $nil, respectively, during the three months ended March 31, 2017. The Company also has additional management and consultants providing services during the three months ended March 31, 2018 as compared to March 31, 2017.
- General and administrative expenses were $289,116 during the three months ended March 31, 2018, compared to $70,100 during the three months ended March 31, 2017. This increase was a result of increased production and operations in 2017.
- Share-based compensation expense was $387,367 during the three months ended March 31, 2018, compared to $nil during the three months ended March 31, 2017. This amount was a result of the grant of 2,750,000 stock options exercisable at $0.15 per share on January 5, 2018, and 200,000 stock options exercisable at $0.365 per share on March 15, 2018. There were no stock options granted during the three months ended March 31, 2017.

As a result of the foregoing, the Company recorded a net loss for the three months ended March 31, 2018, of $742,490, as compared to a net loss of $194,273 for the three months ended March 31, 2017.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MARCH 31, 2018 AND 2017

The following table summarizes the results of our operations for the nine months ended March 31, 2018 and 2017 together with the changes to those items:

	Nine Months Ended March 31,	
	2018	**2017**
Revenue	$ 809,963	$ 222,778
Cost of sales	(620,350)	(212,301)
Operating expenses	2,356,898	528,958
Consulting and management fees	450,451	202,130
General and administrative	583,893	162,482
Share-based compensation expense	613,626	–
Total other income (expense)	13,793	18,837
Net loss for the period	(2,153,492)	(499,644)
Basic and diluted loss per share	(0.04)	(0.02)

Revenue for the nine months ended March 31, 2018 was $809,963, compared to $222,778 for the nine months ended March 31, 2017. Cost of sales for the nine months ended March 31, 2018, were $620,350, compared to $212,301 for the nine months ended March 31, 2017. The increase in revenue, and corresponding increase in cost of sales, was due to an increase in production of pellets.

Operating expenses for the nine months ended March 31, 2018, were $2,356,898, compared to $528,958 for the nine months ended March 31, 2017. The significant differences in expenditures were as follows:

- Consulting and management fees were $450,451 during the nine months ended March 31, 2018, compared to $202,130 during the nine months ended March 31, 2017. The Company incurred management fees of $114,375 to the President of the Company, $91,500 to the CFO of the Company, and consulting fees of $45,000 to a Director of the Company during the nine months ended March 31, 2018, as compared to $52,500, $30,000, and $nil, respectively, during the nine months ended March 31, 2017. The Company also has additional management and consultants providing services during the nine months ended March 31, 2018 as compared to March 31, 2017.
- General and administrative expenses were $583,893 during the nine months ended March 31, 2018, compared to $162,482 during the nine months ended March 31, 2017. This increase was a result of increased production and operations in 2017.
- Share-based compensation expense was $613,626 during the nine months ended March 31, 2018, compared to $nil during the nine months ended March 31, 2017. This amount was a result of the grant of 2,550,000 stock options exercisable at $0.10 per share on November 21, 2017, 2,750,000 stock options exercisable at $0.15 per share on January 5, 2018, and 200,000 stock options exercisable at $0.365 per share on March 15, 2018. There were no stock options granted during the nine months ended March 31, 2017.

As a result of the foregoing, the Company recorded a net loss for the nine months ended March 31, 2018, of $2,153,492, as compared to a net loss of $499,644 for the nine months ended March 31, 2017.

Quarterly Information

	March 31, 2018 $	December 31, 2017 $	September 30, 2017 $	June 30, 2017 $
Total Assets	2,285,678	1,007,796	529,527	488,622
Working Capital	788,913	(757,773)	(1,038,255)	(929,577)
Gross Profit	134,661	33,810	21,142	23,698
Net Loss	(733,398)	(680,215)	(739,879)	(342,701)
Loss per Share	(0.01)	(0.01)	(0.04)	(0.02)

	March 31, 2017 $	December 31, 2016 $	September 30, 2016 $	June 30, 2016 $
Total Assets	542,337	479,163	448,050	442,250
Working Capital	(572,206)	(397,095)	(633,604)	(513,219)
Gross Profit	6,217	4,260	-	(209)
Net Loss	(173,694)	(238,518)	(87,835)	(238,938)
Loss per Share	(0.01)	(0.01)	(0.01)	(0.01)

Total assets and working capital increased during the three month periods ended December 31, 2017 and March 31, 2018 as a result of an increase in cash from funds raised through the issuance of common shares and units during those periods. Net loss increased during the three month periods ended December 31, 2017 and March 31, 2018 as a result of an increase in stock-based compensation and pellet production and operations.

Working capital decreased for the consecutive quarters ended March 31, 2017, June 30, 2017, and September 30, 2017, as the amount of accounts payable and loans payable steadily increased from quarter to quarter as the Company used debt to finance operations.

Net loss for the three months ended September 30, 2017 increased over prior quarters, primarily as a result of the recognition of a listing expense of $534,198 from the completion of the Share Exchange Agreement between the Company and G2BE Canada Inc.

Capital Resources

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, 2017.

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses. We anticipate that we will continue to incur losses for at least the next several years. As a result, we will need additional capital to fund our operations, which we may obtain from additional financings, debt and operations revenue or other sources. To date, we have financed our operations primarily through the issuance of our common shares, notes and loans payable, advances from related parties and revenues.

As at March 31, 2018, we had total assets of $2,285,678 compared with $488,622 as at June 30, 2017. The increase in assets is attributed to an increase in cash of $1,002,097, receivables of $215,216 and inventory of $382,174. The Company had a cash balance of $1,041,055 and working capital deficit of $788,913 at March 31, 2018, compared with a cash balance of $38,958 and a working capital deficit of $929,577 at June 30, 2017.

Operating Activities: Net cash used in operating activities were $1,612,886 during the nine months ended March 31, 2018 as compared to $370,227 during the nine months ended March 31, 2017. Net cash used in operating activities increased as a result of an increase in net loss and cash used on changes in working capital.

Investing Activities: Net cash used in investing activities were $125,433 during the nine months ended March 31, 2018 compared to net cash provided of $26,558 for the nine months ended March 31, 2017. During the nine months ended March 31, 2018, the Company incurred $130,892 on property and equipment purchases, offset by $5,459 of cash provided from the completion of the Share Exchange Agreement between the Company and G2BE Canada Inc.

Financing Activities: Net cash provided by financing activities during the nine months ended March 31, 2018, was $2,784,045 as compared to net cash provided by financing activities of $333,820 during the nine months ended March 31, 2017. During the nine months ended March 31, 2018, the Company received cash proceeds of $2,861,000 from the issuance of common shares and units as compared to $62,370 received from the issuance of common shares during the nine months ended March 31, 2017. The Company also raised proceeds from loans payable of $1,841 and repaid loans payable of $71,812 and finance lease obligations of $25,734 during the nine months ended March 31, 2018 compared to $311,454, $26,222 and $11,769, respectively, during the nine months ended March 31, 2017.

The interim 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 March 31, 2018, the Company had a negative cash flow from operations, and had an accumulated deficit of $5,145,078. Furthermore, the Company incurred a net loss of $2,153,492 during the nine months ended March 31, 2018. 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. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. The Company's strategy is to mitigate risks and uncertainties and to execute a business plan aimed at revenue growth and managing operating expenses and working capital requirements. Failure to implement this plan could have a material adverse effect on the Company's financial condition and results of operations.

Related Party Transactions

During the nine month periods ended March 31, 2018 and 2017, the Company was engaged in the following related party transactions:

a) As at March 31, 2018, the Company was owed $706 (PLN$1,872) (June 30, 2017 - $19,585 (PLN$55,872)) from the President of G2BE Europe. The amount owed is unsecured, non-interest bearing, and due on demand.

b) As at March 31, 2018, the Company owed a loan payable of $nil (June 30, 2017 - $14,133 (PLN$40,318)) to the President of G2BE Europe. Refer to Note 8(f).

c) As at March 31, 2018, the Company owed $2,384 (June 30, 2017 - $9,179) to the President of the Company and a company controlled by the President of the Company, of which $nil (June 30, 2017 - $6,795) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

d) As at March 31, 2018, the Company owed $898 (June 30, 2017 - $67) to the Chief Financial Officer of the Company and a company controlled by the Chief Financial Officer of the Company, of which $898 (June 30, 2017 - $67) was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

e) During the nine months ended March 31, 2018, the Company recorded management fees of $114,375 (2017 - $52,500) and share-based compensation of $104,068 (2017 - $nil) to a company controlled by the President of the Company.

f) During the nine months ended March 31, 2018, the Company recorded management fees of $91,500 (2017 - $30,000) and share-based compensation of $104,068 (2017 - $nil) to a company controlled by the Chief Financial Officer of the Company.

g) During the nine months ended March 31, 2018, the Company recorded consulting fees of $45,000 (2017 - $nil) and share-based compensation of $62,276 (2017 - $nil) to Director of the Company.

h) During the nine months ended March 31, 2018, the Company recorded professional fees of $4,500 (2017 - $nil) and share-based compensation of $8,873 (2017 - $nil) to Director of the Company.

Contractual Obligations and Commitments

	Payments Due By Period				
	Total	Less Than 1 Year	Between 1 and 3 Years	Between 3 and 5 Years	More Than 5 Years
Operating lease obligations	$ 104,210	$ 43,998	$ 60,212	$ -	$ -
Finance lease obligations	370,447	168,765	196,891	4,791	-
Total contractual obligations	$ 474,657	$ 212,763	$ 257,103	$ 4,791	$ -

Off Balance Sheet Arrangements

We do not have any, and during the periods presented we did not have any, off-balance sheet arrangements, other than the contractual obligations and commitments described above.

Critical Accounting Policies and Significant Judgements and Estimates

The preparation of the Company's interim 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.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in our consolidated financial statements within the next financial year are discussed below:

i) The useful life and recoverability of long-lived assets:

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property and equipment in the future.

The assessment of any impairment of property and equipment, including intangible assets, is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values.

ii) Allowance for doubtful accounts:

The Company's method of establishing an allowance for doubtful accounts is estimated and recorded based upon management's assessment both of historical data as well as other pertinent information relative to the receivables in question. The information gathered will result in a specific bad debt expense for accounts which management considers being uncollectible and recorded in the period in which this determination is made.

iii) Provisions:

Management's judgment is required to determine amounts to be recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions. Provisions are the best estimate of the expenditure required to settle the obligation at the reporting date.

iv) Inventory valuation:

In order to determine whether the inventory is properly stated at the lower of cost or net realizable value, management reviews the amount of inventory on hand, the product life and estimates the time required to sell such inventory taking into account current and expected market conditions and competition. A reserve for inventory, if recorded, primarily consists of all or a portion of the inventory which is not expected to be sold, based on the specific facts and circumstances.

v) Recognition of deferred income tax assets:

Related deferred income tax assets and deferred income tax liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their respective tax basis based on the enacted or substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and the expected usage of existing tax pools and credits, and accordingly can affect the amount of the deferred income tax assets and liabilities calculated at a point in time. These differences could materially impact earnings.

vi) The valuation of 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.

New Accounting Pronouncements

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 IFRSs that have not been early adopted in these interim consolidated financial statements will not have a material effect on the Company's future results and financial position:

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

IFRS 16, Leases (New).

In addition, IFRS 15, Revenue from Contracts with Customers is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on July 1, 2018. The Company has commenced an assessment of the potential impact of IFRS 15 on its consolidated financial statements and expects to provide disclosure of the qualitative and quantitative analysis in the fourth quarter of fiscal 2018.

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.

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, March 31, 2018
Cash	$ 1,041,055	$ –	$ –	$ 1,041,055

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 receivables. 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.

Amounts receivable consist of trade receivables and input tax credits. The following table represents the customers that represented 10% or more of total trade receivables as of March 31:

	2018	2017
Customer A	67%	77%
Customer B	8%	14%

The following table represents the customers that represented 10% or more of total revenue for the nine month periods ended March 31:

	2017	2017
Customer A	77%	99%

(c) Currency Risk

The Company's functional currencies are the Canadian dollar and Polish zloty. 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:

		March 31, 2018		June 30, 2017
Cash	PLN	48,977	PLN	38,658
Accounts receivable		804,236		184,559
Due from related parties		88,721		55,872
Inventory		1,042,904		–
Prepaid expenses		363,554		44,372
Accounts payable and accrued liabilities		(1,986,205)		(1,244,442)
Loans payable		(400,807)		(628,207)
Obligations under finance lease		(982,688)		(1,039,053)
Net Polish zloty liabilities	PLN	(1,021,308)	PLN	(2,588,241)

(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 March 31, 2018	Carrying amount $	Contractual cash flows $	1 year or less $	1 -5 Years $
Trade and other payables	825,041	825,041	825,041	–
Obligations under finance lease	370,447	370,447	168,765	201,682
	1,195,488	1,195,488	993,806	201,682

Outstanding Share Data

As at May 30, 2018, we had no preferred shares issued and outstanding.

As at May 30, 2018, we had 91,215,567 common shares issued and outstanding.

As at May 30, 2018, we had 3,475,000 stock options and 32,082,165 warrants exercisable and outstanding.