BIONEUTRA GLOBAL CORPORATION
(FOMERLY KNOWN AS INTERCAP eCOMMERCE INC.)
(Unaudited)
Interim Condensed Consolidated Financial Statements
September 30, 2015
(Expressed in Canadian Dollars)

BIONEUTRA GLOBAL CORPORATION
(FOMERLY KNOWN AS INTERCAP eCOMMERCE INC.)
(Unaudited)
Interim Condensed Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	**$ 2,061,420**	$ 2,084,687
Accounts receivable	**1,350,876**	2,175,594
Goods and services tax receivable	**27,547**	27,966
Prepaid expenses and other	**170,129**	126,907
Inventories (Note 4)	**7,426,005**	2,529,428
	11,035,977	6,944,582
Investment (Note 5)	**515,942**	---
Property, plant and equipment (Note 6)	**9,910,564**	1,498,205
Intangible assets (Note 7)	**3,870,848**	3,867,539
Amount receivable from related party (Note 8)	**1,291**	1,291
Deferred income taxes	**828,808**	1,512,642
	$26,163,430	$13,824,259
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 3,650,788**	$ 2,403,023
Dividend payable	**---**	133,200
Amount payable to related party (Note 8)	**86,572**	86,572
Amounts payable to shareholders (Note 9)	**7,039**	7,039
Note payable (Note 10)	**304,345**	287,939
Contingent amount payable	**18,625**	18,625
Current portion of mortgage payable (Note 12)	**20,833**	---
Repayable government contribution (Note 11)	**31,250**	31,250
	4,119,452	2,967,648
Mortgage payable (Note 12)	**7,162,517**	---
Repayable government contribution (Note 11)	**187,500**	218,750
	11,469,469	3,186,398
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	**7,235,695**	5,482,240
Warrants	**372,646**	---
Share based compensation reserve	**720,067**	---
Retained earnings	**4,796,582**	4,754,752
Accumulated other comprehensive income	**1,568,971**	400,869
	14,693,961	10,637,861
	$26,163,430	$13,824,259

Subsequent event (Note 17)

Approved on behalf of the Board

"Jianhua Zhu"
Signed
Director

"James Li"
Signed
Director

See accompanying notes to the interim condensed consolidated financial statements

BIONEUTRA GLOBAL CORPORATION
(FOMERLY KNOWN AS INTERCAP eCOMMERCE INC.)
(Unaudited)
Interim Condensed Consolidated Statement of Operations and Comprehensive Income
For the Period Ended September 30, 2015
(Expressed in Canadian Dollars)

	Three Months Ended Sep 30, 2015	Three Months Ended Sep 30, 2014	**Nine Months Ended Sep 30, 2015**	Seven Months Ended Sep 30, 2014
Sales	**$ 2,501,537**	$ 3,404,759	**$ 12,101,398**	$ 9,028,658
Cost of sales	**1,272,510**	1,888,036	**6,061,751**	4,794,382
Gross profit	**1,229,027**	1,516,723	**6,039,647**	4,234,276
Expenses				
Professional fees	**376,556**	267,525	**1,346,867**	476,681
Sales and marketing	**193,764**	49,395	**883,261**	144,452
Share based compensation (Note 13)	**---**	---	**744,896**	---
General and administrative	**231,266**	250,616	**634,356**	620,603
Amortization	**195,178**	19,261	**582,073**	45,130
Salaries and benefits	**207,417**	132,081	**545,069**	287,784
Management fee	**84,600**	64,800	**258,600**	149,880
Research and development	**68,927**	32,679	**210,371**	97,231
Warehouse costs	**127,461**	109,266	**187,216**	168,146
Interest	**30,275**	8,590	**40,319**	14,770
Depreciation	**24,813**	(1,527)	**35,297**	8,073
Reorganization cost	**---**	395,457	**---**	424,345
	1,540,257	1,328,143	**5,468,325**	2,437,095
Income (loss) before income taxes and other income (expense)	**(311,230)**	188,580	**571,322**	1,797,181
Other income (expense)				
Grants	**13,750**	38,661	**38,167**	104,680
Interest and other	**176**	(13,328)	**12,148**	---
Realized foreign exchange gain (loss)	**233,788**	82,895	**104,027**	(2,216)
Income (loss) before income taxes	**(63,516)**	296,808	**725,664**	1,899,645
Income taxes expense (recovery)				
- current	**---**			---
- deferred	**---**	67,896	**683,834**	(2,049,109)
	---	67,896	**683,834**	(2,049,109)
Net income (loss)	**(63,516)**	228,912	**41,830**	3,948,754
Other comprehensive income				
Items that may be reclassified subsequently to net income: Unrealized gain (loss) on translation of functional currency	**676,980**	117,521	**1,168,102**	82,962
Comprehensive income	**$ 613,464**	$ 346,433	**$ 1,209,932**	$ 4,031,716
Net income per common share: (Note 16)				
Basic	**0.00**	0.04	**0.00**	0.68
Diluted	**0.00**	0.04	**0.00**	0.68

See accompanying notes to the interim condensed consolidated financial statements

BIONEUTRA GLOBAL CORPORATION
(FOMERLY KNOWN AS INTERCAP eCOMMERCE INC.)
(Unaudited)
Interim Condensed Consolidated Statement of Changes in Equity
For the Period Ended September 30, 2015
(Expressed in Canadian Dollars)

	Common Shares						
	Number	Amount	Warrants	Share Based Compensation Reserve	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance, February 28, 2014	3,047,311	$ 700,554	$ ---	$ ---	$ 149,048	$ 1,075,818	$ 1,925,420
Amalgamation of BioNeutra Inc.	2,750,045	1,140,845	---	---	---	---	1,140,845
Comprehensive income	--	---	---	---	82,962	---	82,962
Net income for the period	---	---	---	---	---	3,948,754	3,948,754
Balance, September 30, 2014	**5,797,356**	**$ 1,841,399**	**$ ---**	**$ ---**	**$ 232,010**	**$ 5,024,572**	**$ 7,097,981**
Balance, December 31, 2014	**39,753,120**	**$ 5,482,240**	**$ ---**	**$ ---**	**$ 400,869**	**$ 4,754,752**	**$ 10,637,861**
Stock options granted	---	---	---	744,896	---	---	744,896
Private placement, March 25, 2015	3,300,000	607,812	382,188	---	---	---	990,000
Share issuance costs	---	(19,186)	(9,542)	---	---	---	(28,728)
Stock options exercised	100,000	64,829	---	(24,829)	---	---	40,000
Private placement, July 15, 2015	2,500,000	1,000,000	---	---	---	---	1,000,000
Shares issued as part of consideration of properties acquired (Note 12)	166,667	100,000	---	---	---	---	100,000
Comprehensive income	---	---	---	---	1,168,102	---	1,168,102
Net income for the period	---	---	---	---	---	41,830	41,830
Balance, September 30, 2015	**45,819,787**	**$ 7,235,695**	**$ 372,646**	**$ 720,067**	**$ 1,568,971**	**$ 4,796,582**	**$ 14,693,961**

See accompanying notes to the interim condensed consolidated financial statements

BIONEUTRA GLOBAL CORPORATION
(FOMERLY KNOWN AS INTERCAP eCOMMERCE INC.)
(Unaudited)
Interim Condensed Consolidated Statement of Cash Flows
For the Period Ended September 30, 2015
(Expressed in Canadian Dollars)

	Nine months ended Sep 30, 2015	Seven months ended Sep 30, 2014
Cash Provided by (Used in):		
Operating Activities		
Net income (loss)	**$ 41,830**	$ 3,948,754
Items not affecting cash:		
Depreciation	**35,297**	8,073
Amortization	**582,073**	45,130
Deferred income tax	**683,834**	(2,049,109)
Share based compensation	**744,896**	---
Change in non-cash working capital balances (Note 14)	**(2,866,897)**	(785,850)
	(778,967)	1,166,998
Investing Activities		
Cash acquired from amalgamation	**---**	26,439
Term deposit	**(515,942)**	---
Purchase of property, plant and equipment	**(6,964,165)**	(43,077)
	(7,480,107)	(16,638)
Financing Activities		
Advance from (repayment to) related parties	**---**	(153,044)
Proceed from mortgage	**6,000,000**	---
Financing fee paid	**(66,650)**	---
Dividends paid	**(133,200)**	---
Repayment of government contribution	**(31,250)**	---
Proceeds from share issuance	**2,030,000**	---
Share issuance costs	**(28,728)**	---
	7,770,172	(153,044)
Effect of foreign exchange	**465,635**	(205,500)
Increase/(Decrease) in cash	**(23,267)**	791,816
Cash, beginning of period	**2,084,687**	1,190,600
Cash, end of period	**$ 2,061,420**	$ 1,984,876

See accompanying notes to the interim condensed consolidated financial statements

1. Description of Business

BioNeutra Global Corporation (Formerly Known as Intercap eCommerce Inc.) (the "Company") was incorporated under the Alberta Business Corporations Act on March 8, 1996. Through its subsidiaries, the Company is involved in the research and development, production and commercialization of food ingredients for neutraceutical, functional and mainstream foods, with a focus on oligosaccharides. The Company's registered office is located at 9608 – 25 Avenue, Edmonton, Alberta, T6N 1J4.

These interim condensed consolidated financial statements were approved by the Board of Directors on November 27, 2015.

2. Basis of Presentation

a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance and compliance with International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain financial information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The disclosure herein is incremental to the disclosure included in the annual consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2014.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of November 27, 2015, the date of the Board of Directors approval of the statements.

b) Basis of Measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value.

c) Functional Currency

The functional currency of the Company is the Canadian dollar and the functional currency of the Company's subsidiaries is the U.S. dollar. The interim condensed consolidated financial statements are presented in Canadian dollars which is the Company's presentation currency.

d) Share Consolidation

Effective October 29, 2014, the common shares of the Company were consolidated on the basis of ten common shares for one common share. In these interim condensed consolidated financial statements, all references to number of common shares except in the comparative figures have been adjusted to reflect the impact of the consolidation. All amounts based on the number of common shares, such as basic and diluted net income per common share have been adjusted to reflect the impact of the consolidation from ten shares to one share.

2. **Basis of Presentation** (Continued)

e) Use of Estimates and Judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are as follows:

Functional Currency

Management has made judgments to determine the functional currency for the Company and its subsidiaries. In making their judgment, management considered the primary economic environment in which each entity operates and determined the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Accounts Receivable

The valuation of accounts receivable is based on management's evaluation of collectability and a provision for doubtful accounts is recorded as necessary.

Inventory

The valuation of inventory and the estimated net realizable value is based on the most reliable information available at the time the estimates are made by management.

Property, plant and equipment

The valuation of property, plant and equipment is based on management's best estimate of the future recoverability of these assets. This is based on projected cash flows expected to be generated from the use of these assets over its estimated life. The amounts recorded for depreciation is based on management's best estimate of the useful lives of the assets.

Income Taxes

The amount recorded for deferred income taxes is based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on the probability that taxable profits will be available to offset against deductible temporary differences.

(Expressed in Canadian Dollars)

2. **Basis of Presentation** (Continued)

e) Use of Estimates and Judgments (Continued)

Intangible Assets

The valuation of intangible assets is based on management's best estimate of the future recoverability of these assets. This is based on projected cash flows expected to be generated from the use of these assets over its estimated life. The amounts recorded for depreciation is based on management's best estimate of the useful lives of the assets.

Share Based Compensation

The valuation of stock options issued is based on management's best estimate of the future volatility of the Company's share price, estimated market price of the Company's shares at grant date, expected lives of the options, expected dividends and other relevant assumptions.

Warrants

The valuation of warrants issued is based on management's best estimate of the future volatility of the Company's share price, market price of the Company's shares at the grant date, the expected lives of the instruments, expected dividends and other relevant assumptions.

3. **Summary of Significant Accounting Policies**

The accounting policies applied by the Company in these interim condensed consolidated financial statements are the same as those applied by the Company in its audited financial statements for the year ended December 31, 2014.

4. **Inventories**

	September 30, 2015	December 31, 2014
Finished goods	**$ 7,426,005**	$ 2,529,428

Inventories recognized as cost of sales during period ended September 30, 2015 is $ 6,061,751 (September 30, 2014 - $4,794,382).

5. **Investment**

Investment consists of guaranteed investment certificate ("GIC") with a major Canadian chartered bank. The GIC earns interest at 0.7% and has a maturity date of October 21, 2015. It is pledged as collateral for one of the mortgages discussed in Note 12.

(Expressed in Canadian Dollars)

6. Property, plant and equipment

Cost

	Balance at February 28, 2014	Additions	Foreign Exchange Movement	Balance at December 31, 2014	Additions	Disposals	Foreign Exchange Movement	**Balance at September 30, 2015**
Lab equipment	$ 18,635	$ 46,863	$ 4,230	$ 69,728	$ 10,340	$ ---	$ 11,511	**$ 91,579**
Furniture and office equipment	26,648	1,878	1,290	29,816	269,442	---	6,665	**305,923**
Leasehold improvement	6,070	---	269	6,339	---	6,339	---	**---**
Building	---	---	---	---	6,269,383	---	94,287	**6,363,670**
Land	---	---	---	---	1,590,000	---	23,912	**1,613,912**
Production equipment	1,356,884	---	60,209	1,417,093	75,000	---	144,871	**1,636,964**
	$ 1,408,237	$ 48,741	$ 65,998	$ 1,522,976	$ 8,214,165	$ 6,339	$ 281,246	**$ 10,012,048**

Accumulated Depreciation

	Balance at February 28, 2014	Additions	Foreign Exchange Movement	Balance at December 31, 2014	Additions	Disposals	Foreign Exchange Movement	**Balance at September 30, 2015**
Lab equipment	$ 3,984	$ 7,343	$ 920	$ 12,247	$ 8,696	$ ---	$ 395	**$ 21,338**
Furniture and office equipment	5,339	4,066	837	10,242	7,267	---	41,425	**58,934**
Leasehold improvement	607	901	774	2,282	---	2,282	---	**---**
Building	---	---	---	---	20,898	---	314	**21,212**
Production equipment	---	---	---	---	---	---	---	**---**
	$ 9,930	$ 12,310	$ 2,531	$ 24,771	$ 36,861	$ 2,282	$ 42,134	**$ 101,484**

Net Book Value

	Balance at December 31, 2014	**Balance at September 30, 2015**
Lab equipment	$ 57,481	**$ 70,241**
Furniture and office equipment	19,574	**246,989**
Leasehold improvement	4,057	---
Building	---	**6,342,458**
Land	---	**1,613,912**
Production equipment	1,417,093	**1,636,964**
	$ 1,498,205	**$ 9,910,564**

The production equipment has not been assembled for use and accordingly no depreciation has been recorded.

(Expressed in Canadian Dollars)

7. Intangible Assets

Cost

	Balance at February 28, 2014	Additions	Disposals	Foreign Exchange Movement	Balance at December 31, 2014	Additions	Foreign Exchange Movement	**Balance at September 30, 2015**
Patent	$ 777,367	$ 3,842,940	$ (777,367)	$ 139,401	$ 3,982,341	$ ---	$ 617,884	**$ 4,600,225**
Trademarks	11,115	---	(11,115)	---	---	---	---	---
	$ 788,482	$ 3,842,940	$ (788,482)	$ 139,401	$ 3,982,341	$ ---	$ 617,884	**$ 4,600,225**

Accumulated Depreciation

	Balance at February 28, 2014	Additions	Disposals	Foreign Exchange Movement	Balance at December 31, 2014	Additions	Foreign Exchange Movement	**Balance at September 30, 2015**
Patent	$ 100,410	$ 110,783	$ (100,410)	$ 4,019	$ 114,802	$ 498,525	$ 116,050	**$ 729,377**
Trademarks	1,436	---	(1,436)	---	---	---	---	---
	$ 101,846	$ 110,783	$ (101,846)	$ 4,019	$ 114,802	$ 498,525	$ 116,050	**$ 729,377**

Net Book Value

	Balance at December 31, 2014	**Balance at September 30, 2015**
Patent	$ 3,867,539	**$ 3,870,848**
Trademarks	---	**---**
	$ 3,867,539	**$ 3,870,848**

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(Expressed in Canadian Dollars)

8. Amounts Receivable from/Payable to Related Parties and Related Party Transactions

The amount receivable from related party is due from a shareholder of the Company, bear no interest and have no terms of repayment.

Amount payable to related party consists of expenses paid by the former director on BioNeutra International Limited's behalf of $86,572. The amount payable to related party is unsecured, non-interest bearing and has no terms of repayment.

A one-time sales and marketing expense of $349,818 was paid to previous shareholders of BioNeutra International Limited. This expense was incurred pursuant to an agreement whereby the related parties were compensated for successfully developing markets for VitaFiber in Asia and Europe, for actively working with overseas manufacturers to further improve VitaFiber product quality, and for effectively developing new products for the Company.

The following is a summary of the Company's other related party transactions during the year:

	September 30, 2015	September 30, 2014
Management fees paid to 1168426 Alberta Ltd., a shareholder of the Company, and controlled by a member of management	**$ 92,000**	$ 55,200
Royalty fee paid to BioNeutra International Limited	**---**	355,822
Management fees paid to 1767477 Alberta Ltd., a company owned by a member of management	**81,800**	44,480
Management fees paid to Pak-Alberta Consultant Inc., a company owned by a member of management	**84,800**	50,200
	$ 258,600	$ 505,702

Key management compensation paid during the period is $82,000 (September 30, 2014 – $51,000).

9. Amounts Payable to Shareholders

The amounts payable to shareholders are unsecured, bear no interest and have no terms of repayment.

10. Note Payable

An amount of $100,000 due to Chuang Ji Huang bears interest at 10% per annum, is unsecured and has no terms of repayment. The remaining note payable of $204,345 is unsecured, bears no interest and has no terms of repayment.

(Expressed in Canadian Dollars)

11. Repayable Government Contribution

During fiscal 2010, the Company executed an agreement for funding with the federal government. As at December 31, 2014, the Company has received $250,000 under the agreement. The funding is a repayable contribution to fund activity for a period from November 24, 2009 to December 31, 2014.

The Company is required to repay the contributions as follows with final payment due February 15, 2022:

2016	$ 31,250
2017	31,250
2018	31,250
2019	31,250
2020 and thereafter	93,750
	218,750
Less current portion	(31,250)
	$ 187,500

12. Mortgage Payable

	September 30, 2015	December 31, 2014
Loan bearing interest at 4.85% per annum, due May 15, 2042, secured by the property with a net book value of $7,977,582 and a general security agreement.	**$ 6,000,000**	$ ---
Loan bearing interest at 5.00% per annum, due July 31, 2018.	**1,250,000**	---
	7,250,000	---
Less unamortized financing fees	**(66,650)**	---
	7,183,350	---
Current portion	**(20,833)**	---
	$ 7,162,517	$ ---

On August 21, 2015, the Company purchased land and building to be used as their plant and office. The property was purchased with a 25 year mortgage for $8,300,000. The mortgage bears interest at the lender's floating base rate, and is secured by the property purchased and general security agreement and is pledged with GIC discussed in Note 5 as collateral. No principal repayment is required until April 15, 2017. As at September 30, 2015, $6,000,000 has been drawn on the mortgage, which bears interest at 4.85% per annum. The remaining $2,300,000 of this loan will be drawn for building improvements.

(Expressed in Canadian Dollars)

12. Mortgage Payable (Continued)

In addition, the Company has also obtained a loan with credit limit of $2,736,000, bearing interest of 3.83% per annum and with maturity date of January 1, 2022. This loan is secured by second charge on the land and building, accounts receivable and inventory. As at September 30, 2015, $nil has been drawn on this loan.

The Company also obtained a loan of $1,250,000 from the vendor. This loan bears interest at 5% per annum, with monthly principal payment of $4,166.66, principal payment of $80,000 on July 31, 2016 and July 31, 2017, and remaining balance due on July 31, 2018.

Principal repayment terms are approximately:

Remaining year of 2015	$ 20,833
2016	130,000
2017	378,030
2018	1,301,207
2019	332,040
2020 and thereafter	5,087,890
	$ 7,250,000

13. Share Capital

Authorized:
Unlimited common voting shares
Unlimited redeemable, retractable, non-voting preferred shares

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares and determine the designation, rights and privileges attached to each series of shares.

(Expressed in Canadian Dollars)

13. **Share Capital** (Continued)

	Number of Common Shares	Amount
Balance, February 28, 2014	3,047,311	$ 700,554
Amalgamation of BioNeutra Inc.	2,750,045	1,140,845
Recapitalization	(4,604,827)	---
Exchange of BNA shares for BGC shares in reverse acquisition transaction	19,876,593	250,345
Exchange of BIL shares for BGC shares in asset acquisition transaction	18,683,998	3,390,496
Balance, December 31, 2014	39,753,120	5,482,240
Private Placement, March 25, 2015	3,300,000	607,812
Share issuance costs	---	(19,186)
Stock options exercised	100,000	64,829
Private Placement, July 15, 2015	2,500,000	1,000,000
Shares issued as part of consideration of properties acquired	166,667	100,000
	45,819,787	**$ 7,235,695**

On March 25, 2015, the Company closed a private placement of common shares and common share purchase warrants. The Company issued 3,300,000 units at a price of $0.30 per unit for gross proceeds of $990,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.50 per common share for a period of thirty-six months following the date of the closing, provided that if after four months and one day following the closing date the closing price of the common share is equal to or exceeds $1.00 for twenty consecutive trading days, then the warrants shall accelerate to expire on the date which is thirty days following the date a press release is issued by the Company announcing the reduced warrant term or the date that written notice has been given to the warrrantholder. The gross proceeds of $607,812 and $382,188 were allocated to the common shares and warrants, respectively. Warrants were valued as of March 25, 2015 using the Black-Scholes model using the following assumptions: expected dividend rate of 0%; expected volatility of 101.74%; risk free rate of 1.25%; and expected life of 3 years. Share issuance costs of $19,186 and $9,542 have been netted against the issuance of common shares and warrants respectively.

(Expressed in Canadian Dollars)

13. **Share Capital** (Continued)

On July 15, 2015, the Company closed a private placement of common shares. The Company issued 2,500,000 units at a price of $0.40 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share.

On August 21, 2015, the Company completed the purchase of a manufacturing and office building of approximately 47,000 square feet situated on 2.65 acres of land in Edmonton, Alberta, Canada. As partial consideration for the purchase, the Company issued in the name of the vendor 166,667 common shares at a price of $0.60 per common share for a total value of $100,000. These common shares were issued as fully-paid on August 20, 2015.

Stock Options

The Company has a stock option plan whereby the maximum number of shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares of the Company. Stock options may be granted to directors, employees, management company employees and consultants. The exercise price of the options granted shall be determined by the Board of Directors in accordance with the policies of the Canadian Securities Exchange. No single participant may be issued options representing greater than 5% of the number of outstanding shares in any 12 month period unless the Company has obtained disinterested shareholder approval. The number of shares reserved for issuance to any one consultant of the Company may not exceed 2% of the number of outstanding shares in any 12 month period. The exercise price per common share for an option shall not be less than the greater of the closing market price of the common shares on (i) the trading day prior to the date of the grant of the option and (ii) the date of the grant of the option. Every option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant. Terms of vesting of the options, the eligibility of directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board of Directors, subject to the policies of the Canadian Securities Exchange.

The activity related to stock options is as follows:

	Number of Options	Exercise Price
Balance, December 31, 2014	---	$ ---
Options granted	3,000,000	0.40
Options exercised	(100,000)	0.40
Balance, September 30, 2015	**2,900,000**	**$ 0.40**

(Expressed in Canadian Dollars)

13. **Share Capital** (Continued)

Stock Options (Continued)

The following table summarizes information on stock options outstanding and exercisable at September 30, 2015:

Exercise Price	Number Outstanding	Number Exercisable	Weighted Average Contractual Life (years)
$ 0.40	2,900,000	2,900,000	2.38

The Company uses the Black-Scholes option pricing model to estimate the fair value of the stock options. During the period ended September 30, 2015, the Company recorded $744,896 in share-based compensation expense (September 30, 2014 - $nil). The following assumptions were used to estimate the fair value of the stock options granted during the period ended September 30, 2015

Annualized volatility	100.00%
Risk-free interest rate	1.25%
Expected life of	3 years
Dividend rate	0.00%
Fair value per stock option	$ 0.25

14. **Changes in Non-cash Working Capital Balances**

	September 30, 2015	September 30, 2014
Accounts receivable	**$ 824718**	$ (448,174)
Goods and services tax receivable	**419**	(21,176)
Prepaid expense	**(43,222)**	(4,873)
Inventories	**(4,896,577)**	(1,100,141)
Accounts payable and accrued liabilities	**1,247,765**	1,023,548
Income taxes payable	**---**	(233,531)
Deferred revenue	**---**	(1,503)
	$ (2,866,897)	$ (785,850)

15. Financial Instruments

Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Fair value

The fair value of cash, accounts receivable, investment, accounts payable and accrued liabilities, note payable, contingent amount payable and repayable government contribution payable approximates its carrying amount due to their short term nature. The fair value of amounts receivable from related party, amounts payable to shareholders and amount payable to related party cannot be reliably determined due to their nature as they are non-interest bearing and have no terms of repayment.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at September 30, 2015, the Company had cash, classified as “fair value through profit or loss”, measured at fair value - Level 1. All other financial instruments are measured at amortized cost using the effective interest rate method.

Credit risk

The Company's exposure to credit risk relates to cash and accounts receivable and arises from the possibility that the third party does not satisfy its contractual obligations. The Company minimizes its exposure to credit risk by keeping the majority of its cash with major chartered banks, reviewing new customers’ credit history before extending credit, conducting regular reviews of its existing customers’ credit performance and insuring the receivable amount with a third party insurance company. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. It is management's opinion that the level of credit risk is low due to the credit-worthiness of the counterparties involved.

15. **Financial Instruments** (Continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, accounts receivable and accounts payable held in U.S. dollars and accounts receivable held in Euro. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate price risk on its note payable and investment which bear fixed interest rate. Management does not believe this risk is significant.

Liquidity risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. As at September 30, 2015, the Company was holding cash of $2,061,420 (December 31, 2014 - $2,084,687), accounts receivable of $1,350,876 (December 31, 2014 - $2,175,594) and had a working capital of $6,916,525 (December 31, 2014 - $3,976,934). Non-derivative financial liabilities of $4,119,452 will be settled within one year.

16. **Earnings per Share**

The basic net income per common share is based on the weighted average number of common shares outstanding for the nine months ended September 30, 2015 of 43,957,882 (September 30, 2014 – 5,797,356) and the three months ended September 30, 2015 of 47,848,772 (September 30, 2014 – 5,797,356). The diluted net income per common share is based on the weighted average number of common shares outstanding for the nine months ended September 30, 2015 of 44,448,703 (September 30, 2014 – 5,797,356) and three months ended September 30, 2015 of 50,748,772 taking into effect all potentially dilutive securities.

17. **Subsequent event**

On November 13, 2015, the Company received conditional acceptance of the application for listing of up to 53,701,766 common shares at TSX Venture Exchange.