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**BLACKICE ENTERPRISE RISK MANAGEMENT INC.  
(FORMERLY BONAPARTE RESOURCES INC.)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED  
MAY 31, 2015 AND 2014  
(UNAUDITED)**

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**Management's Comments on Unaudited Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed interim financial statements of BlackIce Enterprise Risk Management Inc. (formerly Bonaparte Resources Inc., the "Company") as at and for the three and nine months ended May 31, 2015 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT MAY 31, 2015 AND AUGUST 31, 2014**

(Expressed in Canadian Dollars)

	Note	May 31, 2015 (Note 1)	August 31, 2014 (Note 1)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 83,022	\$ 134,558
GST receivable	6	21,136	317,683
Prepaid expenses		2,310	12,549
		106,468	464,790
PROPERTY AND EQUIPMENT	8	2,025	2,109
INTANGIBLE ASSETS	9	326,274	120,820
		\$ 434,767	\$ 587,719
<b>Liabilities and Shareholders' Equity</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 164,097	\$ 115,375
Related party payable	7	176,996	4,727
Notes payable	6,7	186,750	307,500
		527,843	427,602
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	1,808,502	1,506,032
Contributed surplus	10	495,500	-
Deficit		(2,397,078)	(1,345,915)
		(93,076)	160,117
		\$ 434,767	\$ 587,719

NATURE OF BUSINESS AND GOING CONCERN 1

APPROVED BY THE DIRECTORS ON JULY 30, 2015:

"DAVID TAYLOR" Director

"JUDITH KALYAN" Director

The accompanying notes are an integral part of these financial statements.

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**

(Expressed in Canadian Dollars)

	Note	Three months ended May 31,		Nine months ended May 31,	
		2015 (Note 1)	2014 (Note 1)	2015 (Note 1)	2014 (Note 1)
<b>Expenses</b>					
Advertising		\$ -	\$ -	\$ 3,743	\$ -
Amortization		196	-	588	-
Bank charges and interest		247	-	916	-
Consulting fees		18,273	-	60,923	-
Investor relations		-	-	17,893	-
Listing and filing		21,287	-	42,189	-
Management fees	7	30,000	-	90,000	-
Office and miscellaneous		2,066	-	7,592	-
Professional fees		65,828	-	110,776	-
Promotion and travel		79,372	-	141,872	-
Rent		12,100	-	41,950	-
Salaries and wages	7	-	-	22,576	-
Share based compensation		495,500	-	495,500	-
Telecommunications		2,947	-	15,108	-
<b>Loss before other item</b>		<b>727,816</b>	<b>-</b>	<b>1,051,626</b>	<b>-</b>
<b>Other item</b>					
Interest income		-	-	(463)	-
<b>Net loss and comprehensive loss</b>		<b>\$ 727,816</b>	<b>\$ -</b>	<b>\$ 1,051,163</b>	<b>\$ -</b>
<b>Basic and diluted loss per share</b>		<b>\$ 0.01</b>	<b>\$ -</b>	<b>\$ 0.02</b>	<b>\$ -</b>
<b>Weighted average number of shares outstanding</b>					
Basic and diluted		67,063,987	-	65,189,628	-

The accompanying notes are an integral part of these financial statements.

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MAY 31, 2015 AND 2014**

(Expressed in Canadian Dollars)

	Note	Common Shares	Amount	Contributed Surplus	Deficit	Total
Balance at June 2, 2014			\$ -	\$ -	\$ -	\$ -
Recognition of shares held by Bonaparte's shareholders	3	14,113,987	-	-	-	-
Shares issued on reverse acquisition	3	41,000,000	705,699	-	-	705,699
Shares issued to third party on reverse acquisition	3	2,000,000	100,000	-	-	100,000
Shares issued as finders fee on reverse acquisition	3	1,000,000	50,000	-	-	50,000
Shares issued on private placement, net of issuance costs	10	4,000,000	552,833	-	-	552,833
Shares issued for settlement of debt	10	650,000	97,500	-	-	97,500
Net loss for the period				-	(1,345,915)	(1,345,915)
Balance as at August 31, 2014		62,763,987	1,506,032	-	(1,345,915)	160,117
Shares issued on private placement, net of issuance costs	10	4,300,000	302,470			302,470
Share options issued	10			495,500		495,500
Net loss for the period					(1,051,163)	(1,051,163)
Balance as at May 31, 2015		67,063,987	\$ 1,808,502	\$ 495,500	\$ (2,397,078)	\$ (93,076)

The accompanying notes are an integral part of these financial statements.

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MAY 31, 2015 AND 2014**  
(Expressed in Canadian Dollars)

	Nine months ended May 31,	
	2015 (Note 1)	2014 (Note 1)
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (1,051,163)	\$ -
Items not involving cash		
Amortization	588	-
Share based compensation	495,500	-
	(555,075)	-
Changes in non-cash working capital items		
Goods and services tax related	175,797	-
Prepaid expenses	10,239	-
Accounts payable and accrued liabilities	48,722	-
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(320,317)</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of computer equipment	(504)	-
Development of intangible assets	(205,454)	-
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(205,958)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	172,269	-
Cash received from share issuance, net of related costs	302,470	-
<b>CASH PROVIDED FROM FINANCING ACTIVITIES</b>	<b>474,739</b>	<b>-</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(51,536)</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>134,558</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 83,022</b>	<b>\$ -</b>
<b>SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS</b>		
Common shares issued on settlement of debt (Note 7)	-	-
Equity instruments issued on reverse acquisition	-	-
GST receivables received through issuance of notes payable	-	-

The accompanying notes are an integral part of these financial statements.

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**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**

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(Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

BlackIce Enterprise Risk Management Inc. (the “Company” or “BlackIce”) (formerly Bonaparte Resources Inc. “Bonaparte”) was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company is a software sales and consulting company engaged in the business of providing software solutions and consulting services to financial institutions to meet their regulatory obligations. The head office, address and records office of the Company are located at #604 - 207 W Hastings Street, Vancouver, BC, Canada, V6B 1H7.

On June 2, 2014, Bonaparte completed an Asset Purchase Agreement (the “Agreement”) with BlackIce Solutions Inc. (“BISI”), BlackIce Solutions and Technologies Inc. (“BIST”), Judy Kalyan and Mukhtar Kalyan (collectively, the “Vendors”). BISI and BIST were incorporated on April 17, 2014 and April 10, 2014 respectively pursuant to the Business Corporations Act (British Columbia) for the purpose of this transaction and were controlled by Mukhtar Kalyan. Both BISI and BIST had no transactions since incorporation, other than share capital issued. According to the Agreement, Bonaparte acquired certain intellectual properties by issuing shares which resulted in the Vendors obtaining control of the Company (the “Acquisition”). Accordingly, this transaction has been accounted for as a reverse asset acquisition for accounting purposes, with the Vendors being identified as the accounting acquirer. The results of operations of Bonaparte are included in these financial statements from the date of acquisition (June 2, 2014). The historical costs of the assets were not identifiable or recognized prior to the transaction. As a result, comparative figures do not exist and the condensed interim financial statements are for the period subsequent to the transaction date of June 2, 2014.

Concurrent with this transaction, the Company changed its name from Bonaparte Resources Inc. to BlackIce Enterprise Risk Management Inc., and effected a change in directors, management and business. On May 22, 2014, its common shares were delisted from TSX Venture Exchange and on June 4, 2014, the common shares resumed trading on the Canadian Securities Exchange under the symbol “BIS”, and is also listed for trading on the Frankfurt Stock Exchange under the symbol “B2I”.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at May 31, 2015, the Company has a deficit of \$2,397,078, has earned no revenues from its operations, had a loss of \$1,051,163 and has negative cash flows from operations of \$495,318 for the current fiscal year to date. The Company’s continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans and ultimately on generating sales and attaining profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **2. BASIS OF PRESENTATION**

### Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board. They do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the period from June 2, 2014 to August 31, 2014.

The policies applied in these condensed interim financial statements are based on International Financial Reporting Standards (“IFRS”) effective as of May 31, 2015. The condensed interim financial statements of the Company for three and six months ended May 31, 2015 were approved and authorized for issue by the Board of Directors on July 30, 2015.

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**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**

(Expressed in Canadian Dollars)

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**2. BASIS OF PRESENTATION (continued)**

Basis of measurement

These condensed interim financial statements have been prepared on a going concern basis under the historical cost convention, except for certain financial assets and financial liabilities which are measured at fair value.

Functional currency

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgements

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Significant areas requiring the use of management estimates include the recoverability of intangible assets, assumptions used in valuing options in share-based payment calculations including share-based payments issued for the acquisition. Actual outcomes could differ from these judgements and estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and further periods if the review affects both current and future periods.

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the next year.

(i) Going concern

The assessment of the Company's ability to execute its strategy effectively operating the Company involves judgement. See note 1.

(ii) Acquisition of assets

The accounting for the Acquisition as a reverse asset acquisition involves significant judgement. See note 3.

**3. REVERSE ACQUISITION AND LISTING EXPENSE**

On June 2, 2014, the Vendors obtained control of the Company (the "Acquisition") by selling the right and title to intellectual properties and software (the "IP") for the following consideration:

- (i) issued 41,000,000 common shares to the Vendors;
- (ii) issued 2,000,000 common shares to a third party for a release and transfer of their interest in the IP;
- (iii) issued 1,000,000 common shares and \$20,000 cash for finder's fees;

As a result of the Acquisition, the Vendors acquired 65% of the outstanding shares of the Company and were deemed to be the acquirer of the Company. For accounting purposes, the Acquisition is not considered to be a business combination as defined in IFRS 3 *Business Combinations* since Bonaparte was inactive prior to the Acquisition and its activities were limited to the management of cash resources and the maintenance of its listing. Accordingly, the Acquisition has been accounted for as a share-based payment transaction in accordance with IFRS 2 *Share-based Payment*.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
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(Expressed in Canadian Dollars)

**3. REVERSE ACQUISITION AND LISTING EXPENSE (continued)**

Since the share and share based consideration allocated to the former shareholders of the Company on closing the Acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, options and warrants, the value in excess of the net identifiable assets acquired on closing was expensed in the statement of comprehensive loss during the period from June 2, 2014 to August 31, 2014 as listing expense as the Vendors acquired Bonaparte's public listing as a result of the transaction. The fair value of the consideration was determined based on the fair value of the shares, options and warrants of Bonaparte immediately prior to the Acquisition.

The fair value of all the consideration given and charged to listing expense was comprised of:

Share consideration to Vendors	\$	705,699
Shares issued to third party		100,000
Shares issued for finder's fee		50,000
Finder's fee paid in cash		20,000
	\$	875,699
Identifiable net obligations assumed:		
Cash & cash equivalents	\$	51,619
Other assets		16,431
Liabilities		(141,893)
Promissory notes assumed, including accrued interest of \$1,259		(101,259)
Loan from Vendors assumed		(20,000)
		(195,102)
Unidentified assets acquired:		
Public listing		1,070,801
Total net identifiable and unidentifiable assets acquired	\$	875,699

The fair value of the share consideration paid, including shares issued to third party and shares issued as a finder's fee, of \$0.05 per share was based on the market price of the Company's common shares on the TSX Venture Exchange.

On June 5, 2014, the Company fully repaid the promissory notes assumed.

On closing of the Acquisition, the Vendors placed 44,000,000 of the common shares, representing the shares issued in connection with the Acquisition, into escrow. These shares are subject to a 36-month escrow release period from the completion of the Acquisition with 10% released upon completion of the Acquisition and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the completion of the Acquisition.

**4. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed interim financial statements have been prepared according to the same accounting policies and are subject to the same areas of judgment, measurement estimates and uncertainties as those disclosed in note 4 of the Company's audited financial statements for the period from June 2, 2014 to August 31, 2014.

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**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**

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(Expressed in Canadian Dollars)

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## **5. FUTURE CHANGES IN ACCOUNTING STANDARDS**

The IASB and International Financial Reporting Interpretations Committee (“IFRIC”) have issued the following standards and amendments or interpretations to existing standards that are not yet effective and not applied. The Company does not anticipate early adoption of these standards at this time. The following standards and interpretations applicable to the Company have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2014:

(i) IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

In May 2014, the IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. This standard is effective for annual periods beginning on or after January 1, 2016.

(ii) IFRS 9 – *Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after January 1, 2018.

(iii) IFRS 15 *Revenue from Contracts with Customers*

On May 28, 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on September 1, 2017.

None of the above standards are expected to affect the existing financial statements but may affect the accounting for future transactions.

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**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**(Expressed in Canadian Dollars)

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**6. GST RECEIVABLE AND NOTES PAYABLE**

Pursuant to the terms of the Acquisition Agreement (Note 3), the Company is responsible to pay the GST applicable to the transfer of the intellectual property. The GST was paid by the Vendors and the Company provided the Vendors promissory notes for the full amount of GST, in the amount of \$307,500. The promissory notes are to be repaid to the Vendors upon receiving the GST refund. The promissory notes are payable on demand and bear no interest for the first 3 months and thereafter interest at 8% per annum, repayable upon receiving GST refund. As at May 31, 2015, a partial refund of the GST was received by the Company and the proceeds were used to repay the Vendors leaving a notes payable balance of \$11,750. The remaining GST refund is outstanding pending the registration of a new GST number by one of the Vendors in order to be processed by the CRA.

Pursuant to a promissory note dated May 11, 2015, the CEO advanced \$175,000 to the Company for working capital purposes. The note is due on December 11, 2015, unsecured, and non-interest bearing.

**7. RELATED PARTIES TRANSACTIONS AND BALANCES****Key Management Compensation**

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors. Short-term key management compensation consisted of the following for the nine months ended May 31, 2015 and 2014:

	Nine months ended May 31,	
	2015	2014
<b>Transactions</b>		
Management fees:		
Chief Executive Officer ("CEO")	\$ 90,000	\$ -
Salaries and wages:		
Chief Information Officer ("CIO")	44,151	-
An individual related to the CEO and CIO	34,647	-
	\$ 78,798	\$ -

Of the salaries and wages paid to related parties, \$22,075 is included in salaries and wages on the condensed interim statement of comprehensive loss, and \$56,723 is included in intangible assets.

	May 31,	August 31,
	2015	2014
<b>Balances</b>		
Due to (from) related parties		
CEO	\$ 60,344	\$ 3,047
A company controlled by the CEO	74,130	(4,620)
A company controlled by the former CFO	6,300	6,300
	140,774	\$ 4,727
<b>Notes payable</b>		
Promissory Notes payable to the Vendors	\$ 11,750	\$ 307,500
Note payable to CEO	175,000	-
	\$ 186,750	\$ 307,500

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**  
(Expressed in Canadian Dollars)

**8. PROPERTY AND EQUIPMENT**

	Computer Equipment
<b>Cost</b>	
Balance, June 2, 2014	\$ -
Additions	2,231
Balance, August 31, 2014	2,231
Additions	504
Balance, May 31, 2015	\$ 2,735
<b>Accumulated amortization</b>	
Balance, June 2, 2014	\$ -
Additions	122
Balance, August 31, 2014	122
Additions	588
Balance, May 31, 2015	\$ 710
<b>Net book value</b>	
August 31, 2014	\$ 2,109
May 31, 2015	\$ 2,025

**9. INTANGIBLE ASSETS**

The Company's intangible assets consist of intellectual property associated with the Company's ERA<sup>TM</sup> (Enterprise Risk Aggregation), an enterprise wide Risk Management application solution for financial institutions and GCD<sup>TM</sup> (Governance & Compliance Database), an application that allows financial institutions to assess adherence to Minimum Regulatory Requirements or to requirements specific to the institution.

The Company's intangible asset carrying balance is as follows:

Balance, June 2, 2014	\$ -
Development costs capitalized	
Consulting fees	67,863
Salaries and wages	52,957
Balance as at August 31, 2014	120,820
Development costs capitalized	
Consulting fees	148,534
Salaries and wages	56,920
Balance as at May 31, 2015	\$ 326,274

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2015 AND 2014**

(Expressed in Canadian Dollars)

**10. SHARE CAPITAL**

(a) Authorized:

An unlimited number of common shares without par value.

b) Shares Issued and outstanding:

On June 2, 2014, the Company acquired certain intellectual property pursuant to a reverse asset acquisition. The Company's share capital prior to the reverse asset acquisition as follows:

	Number of Shares	\$
Balance at August 31, 2012 and 2013 and at June 2, 2014	14,113,987	\$2,638,431

On June 2, 2014, the Company issued 43,000,000 shares to acquire the intellectual property. The fair value of the share consideration was determined based on the fair value of the shares, options, and warrant of Bonaparte immediately prior to the Acquisition.

Accounting of the share capital of the Company is as follows:

	Note	Number of Shares	Amount
Bonaparte - Balance as at June 2, 2014		14,113,987	\$ -
Shares issued to Vendors upon Acquisition	3	41,000,000	705,699
Shares issued to third party upon Acquisition	3	2,000,000	100,000
Shares issued as finders fees upon Acquisition	3	1,000,000	50,000
Shares issued on private placement, net of share issuance costs		4,000,000	552,833
Shares issued for debts	3 & 7	650,000	97,500
Balance as at August 31, 2014		62,763,987	\$1,506,032
Shares issued on private placement, net of share issuance costs		4,300,000	302,470
Balance as at May 31, 2015		67,063,987	\$1,808,502

On June 3, 2014, the Company closed a private placement of 4,000,000 Units at \$0.15 per Unit for gross consideration of \$600,000. Each Unit comprised one common share and one-half share purchase warrant entitling the holder to one full warrant to purchase another common share for a period of 2 years at \$0.30 per share. Share issue costs of \$47,167 were incurred. The Company also settled debts totalling \$97,500 (note 7).

On December 29, 2014, the Company closed a private placement of 4,300,000 Units at \$0.08 per Unit for gross consideration of \$344,000. Each Unit comprised one common share and one share purchase warrant entitling the holder to purchase another common share for a period of 2 years at \$0.15 per share. Share issue costs of \$41,530 were incurred.

c) Escrowed Shares

Pursuant to an escrow agreement dated June 2, 2014, 44,000,000 shares issued pursuant to the Acquisition are subject to escrow restrictions. Upon completion of the transaction 4,400,000 shares were released from escrow with the balance to be released in six-month intervals at 15% per release. As at May 31, 2015, a total of 33,000,000 shares remain in escrow.

**BLACKICE ENTERPRISE RISK MANAGEMENT INC. (FORMERLY BONAPARTE RESOURCES INC.)**  
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(Expressed in Canadian Dollars)

**10. SHARE CAPITAL (continued)**

d) Stock Options

The Company grants incentive stock options as permitted by the Company's Stock Option plan ("the Plan") approved by the shareholders of the Company. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years. If the optionee ceases to be qualified to receive options from the Company those options expire immediately. All options vest when granted unless otherwise specified by the Board of Directors.

The Company was deemed to grant (?) 85,000 options previously granted by Bonaparte upon the completion of the Acquisition (see also Note 3). On April 10, 2015, the Company granted 5,000,000 options to Directors, Officers, employees and consultants. The options are exercisable at \$0.10 per common share, expire after ten years, and vest immediately. The fair value of the deemed options was determined to be immaterial using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation:

Market price of shares	0.10
Risk free interest rate	0.50%
Expected life (in years)	10 years
Expected volatility	165%
Expected dividend yield	0.0%

Information regarding the Company's outstanding share purchase options is summarized below:

Options outstanding and exercisable					
	Expiry date	Number	Exercise price	Weighted average life remaining	Weighted average exercise price
Balance, June 2, 2014	-	-	-	-	-
Options deemed to be issued on Acquisition	February 8, 2016	85,000	\$0.45	0.69	\$ 0.45
Balance, August 31, 2014		85,000	\$0.45	0.69	\$ 0.45
Issued April 10, 2015	April 10, 2025	5,000,000	\$0.10	9.87	\$ 0.10
Balance, May 31, 2015		5,085,000		9.72	\$ 0.11

e) Warrants

The Company was deemed to issue 2,345,000 warrants as previously granted by Bonaparte upon the completion of the Acquisition (see also Note 3). The fair value of the options was determined to be immaterial using the Black-Scholes option pricing model, which requires management to make subjective estimates and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation:

Market price of shares	0.05
Risk free interest rate	1.021%
Expected life (in years)	0.25
Expected volatility	150%
Expected dividend yield	0.0%

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**10. SHARE CAPITAL (continued)**

Warrants (continued)

Information regarding the Company's outstanding warrants is summarized below:

	Expiry date	Number	Exercise price
Balance, June 2, 2014	-	-	\$ -
Warrants deemed to be issued on Acquisition	August 31, 2014	2,345,000	0.10
Expired		(2,345,000)	(0.10)
Issued on private placement	June 2, 2016	2,000,000	\$0.30
Balance, August 31, 2014		2,000,000	\$0.30
Issued on private placement	December 29, 2016	4,300,000	\$0.15
Balance, May 31, 2015		6,300,000	\$0.20

The following table summarizes the share purchase warrants outstanding and exercisable as at May 31, 2015:

Warrants outstanding	Exercise price	Remaining contractual life (years)	Expiry date
2,000,000	\$0.30	1.01	June 3, 2016
4,300,000	\$0.15	1.58	Dec 29, 2016

**11. CAPITAL MANAGEMENT**

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator (see also note 1).

**12. FINANCIAL INSTRUMENTS AND RISK**

*Fair values*

The Company's financial instruments include cash and cash equivalents, due from related parties, accounts payable and Notes payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs that are not based on observable market data.

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**12. FINANCIAL INSTRUMENTS AND RISK (continued)**

As at May 31, 2015, the Company does not recognize any financial assets or liabilities at their fair value.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with financial institutions. The carrying value of cash and cash equivalents and GST receivable is the Company's maximum exposure to credit risk as at May 31, 2015.

As at May 31, 2015, the Company is not exposed to significant foreign exchange risk, interest rate risk or other market risks.

**13. Subsequent Events**

On June 4, 2015, 6,600,000 common shares were released from escrow pursuant to an escrow agreement (see Note 10).