
BLACKICE ENTERPRISE RISK MANAGEMENT INC.
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015
(UNAUDITED)

Management's Comments on Unaudited Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of BlackIce Enterprise Risk Management Inc. as at and for the three months ended November 30, 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.

STATEMENTS OF FINANCIAL POSITION
STATEMENTS OF COMPREHENSIVE LOSS
STATEMENTS OF CHANGES IN EQUITY
STATEMENTS OF CASH FLOWS
NOTES TO FINANCIAL STATEMENTS

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)****AS AT NOVEMBER 30, 2015 AND AUGUST 31, 2015**(Expressed in Canadian Dollars)

	Note	November 30, 2015 (Note 1)	August 31, 2015 (Note 1)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 11,739	\$ 4,966
GST receivable		33,601	28,932
Prepaid expenses		2,310	2,310
		<u>47,650</u>	<u>36,208</u>
PROPERTY AND EQUIPMENT	5	2,965	3,205
INTANGIBLE ASSETS	6	531,485	475,457
		<u>\$ 582,100</u>	<u>\$ 514,870</u>

Liabilities and Shareholders' Equity

CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 325,861	\$ 315,612
Related party payable	4	517,138	433,743
Loan payable	7	9,000	9,000
Notes payable	4	186,750	186,750
Deposits	8	78,021	-
		<u>1,116,770</u>	<u>945,105</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	9	1,808,502	1,808,502
Contributed surplus	9	495,500	495,500
Deficit		(2,838,672)	(2,734,237)
		<u>(534,670)</u>	<u>(430,235)</u>
		<u>\$ 582,100</u>	<u>\$ 514,870</u>

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APPROVED BY THE DIRECTORS ON FEBRUARY 2, 2016:

"DAVID TAYLOR" Director

"JUDY KALYAN" Director

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

	Note	3 months ended November 30,	
		2015	2014
Expenses			
Advertising		\$ -	\$ 1,643
Amortization		240	196
Bank charges and interest		577	259
Consulting fees		30,000	17,500
Investor relations		-	5,000
Listing and filing		3,030	9,139
Management fees	4	30,000	30,000
Office and miscellaneous		1,997	2,820
Professional fees		6,081	2,541
Promotion and travel		25,352	20,508
Rent		3,600	13,690
Salaries and wages	4	-	11,947
Telecommunications		3,558	8,170
Loss before other item		104,435	123,413
Other items			
Interest income		-	463
Net loss and comprehensive loss		\$ 104,435	\$ 122,950
Basic and diluted loss per share		\$ 0.00	\$ 0.00
Weighted average number of shares outstanding			
Basic and diluted		67,063,987	65,662,069

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

	Note	Common Shares	Amount	Contributed Surplus	Deficit	Total
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	9	4,300,000	302,470	-	-	302,470
Share options issued	9	-	-	495,500	-	495,500
Net loss for the period		-	-	-	(1,388,322)	(1,388,322)
Balance as at August 31, 2015		67,063,987	1,808,502	495,500	(2,734,237)	(430,235)
Net loss for the period		-	-	-	(104,435)	(104,435)
Balance as at November 30, 2015		67,063,987	\$ 1,808,502	\$ 495,500	\$ (2,838,672)	\$ (534,670)

BLACKICE ENTERPRISE RISK MANAGEMENT INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014
(Expressed in Canadian Dollars)

	Note	3 months ended November 30,	
		2015	2014
OPERATING ACTIVITIES			
Net loss		\$ (104,435)	\$ (122,950)
Items not involving cash			
Amortization		240	196
		(104,195)	(122,754)
Changes in non-cash working capital items			
Goods and services tax related		(4,669)	4,808
Prepaid expenses		-	3,625
Accounts payable and accrued liabilities		10,249	(9,997)
Deposits	8	78,021	-
CASH USED IN OPERATING ACTIVITIES		(20,594)	(124,318)
INVESTING ACTIVITIES			
Purchase of computer equipment		-	(504)
Development of intangible assets		(56,028)	(71,446)
CASH USED IN INVESTING ACTIVITIES		(56,028)	(71,950)
FINANCING ACTIVITIES			
Advances from related parties		83,395	65,830
CASH PROVIDED FROM FINANCING ACTIVITIES		83,395	65,830
CHANGE IN CASH AND CASH EQUIVALENTS		6,773	(130,438)
CASH AND CASH EQUIVALENTS, BEGINNING		4,966	134,558
CASH AND CASH EQUIVALENTS, ENDING		\$ 11,739	\$ 4,120
SUPPLEMENTAL INFORMATION AND NON-CASH TRANSACTIONS			
Interest expense		\$ 180	\$ -
Income taxes paid		\$ -	\$ -

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

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. 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.

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".

These 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 November 30, 2015, the Company had a working capital deficiency of \$1,069,120, and for the three months then ended, had a net loss of \$104,435 and had negative cash flows from operations of \$20,594. The Company has funded ongoing operations primarily from proceeds of loans and advances from related parties and the issuance of shares. In the current three months ended November 30, 2015, the Company announced the initial sale of its Enterprise Risk Aggregation (ERATM) solution to a bank in Vietnam to enable the bank to comply with Basel reporting requirements. The Company will continue to develop and expand its Vietnamese market and other markets in Southeast Asia. In order to meet its business objectives and to settle its liabilities as they become due, the Company expects to require additional financing in fiscal 2016. Subsequent to November 30, 2015, the Company has agreed to settle debt of \$534,312 by way of issuance of 8,488,888 common shares of the Company (note 15). The Company plans to raise further funds by way of equity issuance or related party loans in 2016. The Company's continuing operations 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 sufficient revenue to attain 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.

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

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 year ended August 31, 2015.

The policies applied in these condensed interim financial statements are based on International Financial Reporting Standards (“IFRS”) effective as of November 30, 2015. During the current period, the Company announced the initial sale of its Enterprise Risk Aggregation (ERA™) solution to a bank in Vietnam. In addition to the accounting policies disclosed in the Company’s audited financial statements for the year ended August 31, 2015, the Company has adopted the following accounting policy on sales revenue in the current period:

Revenue

Revenue is recognized at fair value of the consideration received or receivable less discount, rebate and consumption taxes.

Contract Revenue is recognized on a percentage of completion basis and when all of the following conditions are satisfied;

- (a) total contract revenue can be measured reliably
- (b) it is probable that the economic benefits associated with the contract will flow to the entity
- (c) both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably
- (d) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Except for contract revenue, revenue is recognized when the risks and rewards of ownership of the goods transfers from the Company to the customer at the time of shipment, customer receipt, or upon customer approval depending on the terms of sale.

The condensed interim financial statements of the Company for three months ended November 30, 2015 were approved and authorized for issue by the Board of Directors on February 2, 2016.

3. FUTURE CHANGES IN ACCOUNTING STANDARDS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three months ended November 30, 2015, and have not been applied in preparing these financial statements. 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 September 1, 2015:

3. FUTURE CHANGES IN ACCOUNTING STANDARDS (continued)

(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 the Company for annual periods beginning on September 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 the Company for annual periods beginning on September 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 the Company for annual periods beginning on September 1, 2018. 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, 2018.

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

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

4. 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, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Three months ended November 30,	
	2015	2014
Transactions		
Management fees:		
Chief Executive Officer ("CEO")	\$ 30,000	\$ 30,000
	\$ 30,000	\$ 30,000
Salaries and wages:		
Chief Information Officer ("CIO")	\$ -	\$ 22,893
Chief Technology Officer ("CTO")	21,463	12,118
	\$ 21,463	\$ 35,011
Consulting fees:		
A member of the Board of Directors	\$ 30,000	\$ -
	\$ 30,000	\$ -

Of the salaries and wages paid to related parties, \$nil (2015 - \$11,446) is included in salaries and wages on the statement of comprehensive loss, and \$21,463 (2015 - \$23,565) is included in intangible assets.

	November 30,	August 31,
	2015	2015
Balances		
Due to (from) related parties		
CEO	\$ 241,408	\$ 206,913
A company controlled by the former CEO	84,630	84,630
CTO	34,800	15,900
A company controlled by the former CFO	6,300	6,300
A member of the Board of Directors	150,000	120,000
	\$ 517,138	\$ 433,743
Notes payable		
Promissory Notes payable to the Vendors	\$ 11,750	\$ 11,750
Note payable to CEO	175,000	175,000
	\$ 186,750	\$ 186,750

Pursuant to a promissory note dated May 11, 2015, the former CEO advanced \$175,000 to the Company for working capital purposes. The note is due on December 10, 2015, unsecured, and non-interest bearing.

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

	Computer Equipment
Cost	
Balance, August 31, 2014	\$ 2,231
Additions	2,470
Balance, August 31, 2015	4,701
Additions	-
Balance, November 30, 2015	\$ 4,701
Accumulated amortization	
Balance, August 31, 2014	\$ 122
Additions	1,374
Balance, August 31, 2015	1,496
Additions	240
Balance, November 30, 2015	\$ 1,736
Net book value	
August 31, 2015	\$ 3,205
November 30, 2015	\$ 2,965

6. INTANGIBLE ASSETS

The Company's intangible assets consist of intellectual property associated with the Company's ERATM (Enterprise Risk Aggregation) software solution, an enterprise wide Risk Management application solution for financial institutions and GCDTM (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, August 31, 2014	\$ 120,820
Development costs capitalized:	
Consulting fees	160,423
Salaries and wages	119,889
Share based compensation	74,325
Balance as at August 31, 2015	475,457
Development costs capitalized:	
Consulting fees	56,028
Balance as at November 30, 2015	\$ 531,485

7. LOAN PAYABLE

The Company's loan payable is to an individual lender. The loan is unsecured and is due on August 31, 2016 at an annual interest rate of 8%. The loan is repayable earlier with interest and without penalty.

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

8. DEPOSITS

The Company's deposits consist of initial payments received under its sales agreements relating to sale of its ERA™ solution. These sales agreements have milestones pursuant to which subsequent instalment payments will be paid. Because (a) the contract costs to complete the contract and the stage of contract completion at the end of the reporting period cannot be measured reliably and (b) the contract costs attributable to the contract cannot be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates, these payments have not been recognized as sales revenue in the period (note 2).

9. SHARE CAPITAL

a) Authorized:

An unlimited number of common shares without par value.

An unlimited number of preferred 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	\$
<u>Balance at August 31, 2012 and 2013 and at June 2, 2014</u>	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:

	Number of Shares	Amount
Bonaparte - Balance as at June 2, 2014	14,113,987	\$ -
Shares issued to Vendors upon Acquisition	41,000,000	705,699
Shares issued to third party upon Acquisition	2,000,000	100,000
Shares issued as finders fees upon Acquisition	1,000,000	50,000
Shares issued on private placement, net of share issuance costs	4,000,000	552,833
Shares issued for debts	650,000	97,500
<u>Balance as at August 31, 2014</u>	62,763,987	\$1,506,032
Shares issued on private placement, net of share issuance costs	4,300,000	302,470
<u>Balance as at August 31, 2015 and November 30, 2015</u>	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.

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

b) Shares Issued and outstanding (continued)

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 one 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 November 30, 2015, a total of 26,400,000 shares remain in escrow.

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 five 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 issue 85,000 options 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. During the year ended August 31, 2015, the Company granted 5,000,000 options exercisable at \$0.10 per share for a period of 10 years and recognized stock based compensation of \$495,500 of which \$74,250 was included in intangible assets. The fair value of the options were determined 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	0.5
Expected life (in years)	10
Expected volatility	165%
Expected dividend yield	0%

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

d) Stock Options (continued)

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	0.19	\$ 0.45
Balance, August 31, 2014		85,000	\$0.45	0.19	\$ 0.45
Issued April 10, 2015	April 10, 2025	5,000,000	\$0.10	9.37	\$ 0.10
Balance, August 31, 2015 and November 30, 2015		5,085,000		9.21	\$ 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. The fair value of the 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	0.05
Risk free interest rate	1.021%
Expected life (in years)	0.25
Expected volatility	150%
Expected dividend yield	0.0%

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, August 31, 2015 and November 30, 2015		6,300,000	\$0.20

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

e) Warrants (continued)

The following table summarizes the share purchase warrants outstanding and exercisable as at November 30, 2015:

Warrants outstanding	Exercise price	Remaining contractual life (years)	Expiry date
2,000,000	\$0.30	0.51	June 2, 2016
4,300,000	\$0.15	1.08	December 29, 2016

10. 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).

11. 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.

As at November 30, 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 November 30, 2015.

BLACKICE ENTERPRISE RISK MANAGEMENT INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE MONTHS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK (continued)

During the three months ended November 30, 2015, the Company entered into agreements for sale of its ERA™ solutions for which are based in US dollars. Future payments under these agreements are based on certain milestones and the Company will be exposed to foreign exchange risk. The Company has not entered into any foreign exchange forward arrangements with any counterparties.

The Company is not exposed to significant interest rate risk or other market risks at this time.

12. SUBSEQUENT EVENTS

- a) On December 2, 2015, 6,600,000 common shares were released from escrow pursuant to the Agreement.
- b) Subsequent to November 30, 2015, the Company received cash of \$62,000 in exchange for subscription receipts where by the subscribers agreed to subscribe to shares at a price of \$0.05 per share.
- c) Subsequent to November 30, 2015, the Company entered in to agreements to issue 8,488,888 common shares in settlement of debt of \$534,312, of which 3,488,888 common shares are to be issued to related parties in settlement of debt of \$250,000.