

SPT SULPHUR POLYMER TECHNOLOGIES INC.

(Formerly 0990756 B. C. Ltd.)

FINANCIAL STATEMENTS

March 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
SPT Sulphur Polymer Technologies Inc. (Formerly 0990756 B.C. Ltd.)

We have audited the accompanying financial statements of SPT Sulphur Polymer Technologies Inc. (Formerly 0990756 B.C. Ltd.) (the "Company"), which comprise the statements of financial position as at March 31, 2015 and March 31, 2014 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended March 31, 2015 and the period from date of incorporation January 12, 2014 to March 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2015 and March 31, 2014, and its financial performance and its cash flows for the year ended March 31, 2015 and the period from date of incorporation January 12, 2014 to March 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"A Chan & Company LLP"

Vancouver, British Columbia
July 27, 2015

SPT SULPHUR POLYMER TECHNOLOGIES INC.

(Formerly 0990756 B.C. LTD.)

STATEMENTS OF FINANCIAL POSITION(Expressed in Canadian dollars)

As at

	March 31, 2015	March 31, 2014
ASSETS		
Current		
Cash and equivalents	\$ 70,890	\$ 4,981
Subscription receivable (Note 11)	-	100
GST receivable	3,536	-
Prepaid expenses	13,862	-
Due from a related party (Note 6)	65,000	-
	<u>153,288</u>	<u>5,081</u>
Non-current		
Promissory note receivable (Note 6)	<u>26,452</u>	-
TOTAL ASSETS	<u>\$ 179,740</u>	<u>\$ 5,081</u>
LIABILITIES		
Current Liabilities:		
Accounts payables and accrued liabilities	\$ 15,270	\$ 2,500
Due to a related party (Note 11)	-	5,000
Promissory note payable (Note 4)	2,500	-
Loan payable (Note 5)	15,000	-
	<u>32,770</u>	<u>7,500</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 8)	447,500	100
Contributed surplus (Note 8)	8,050	-
Deficit	(308,580)	(2,519)
	<u>146,970</u>	<u>(2,419)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	<u>\$ 179,740</u>	<u>\$ 5,081</u>

Nature and Continuance of Operations (Note 1)
Commitment (Note 4) and Subsequent Events (Note 14)

Approved and authorized for issue by the Board of Directors on July 27, 2015:

"Glen Macdonald"

Glen Macdonald, Director

"Zygmunt Riddle"

Zygmunt Riddle, Director

The accompanying notes are an integral part of these Financial Statements

SPT SULPHUR POLYMER TECHNOLOGIES INC.

(Formerly 0990756 B.C. LTD.)

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS(Expressed in Canadian dollars)

For the years ended

	March 31, 2015	March 31, 2014
EXPENSES		
Bank charges	\$ 550	\$ 19
Consulting	155,667	-
Filing and transfer fees	26,415	-
Legal	26,066	-
Office and miscellaneous	19,831	-
Professional fees	12,072	2,500
Stock based compensation	8,050	-
Travel and promotion	31,362	-
	280,013	2,519
Other Items		
Interest income	1,452	-
impairment of investments (Note 4 & 7)	(27,500)	-
	306,061	2,519
Net loss and comprehensive loss for the year	\$ 306,061	\$ 2,519
Basic and diluted loss per common share	\$ (0.03)	\$ (251.90)
Weighted average number of common shares outstanding	9,775,438	10

The accompanying notes are an integral part of these Financial Statements

SPT SULPHUR POLYMER TECHNOLOGIES INC.

(Formerly 0990756 B.C. LTD.)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars)

	Number of Outstanding Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficiency
		\$	\$	\$	\$
Share issued for cash on incorporation, January 12, 2014 Note (6)	10	100	-	-	100
Net loss for the period	-	-	-	(2,519)	(2,519)
Balance, March 31, 2014	10	100	-	(2,519)	(2,419)
Net loss for the year	-	-	-	(306,061)	(306,061)
Fair value of stock options	-	-	8,050	-	8,050
Incorporator shares cancelled (Note 8)	(10)	(100)	-	-	(100)
Shares issued in spin-off (Note 8)	2,633,334	5,000	-	-	5,000
Shares issued for cash in private placement	15,000,000	300,000	-	-	300,000
Shares issued for cash in private placement	1,500,000	150,000	-	-	150,000
Share issue expense - cash	-	(7,500)	-	-	(7,500)
Balance at March 31, 2015	19,133,334	447,500	8,050	(308,580)	146,970

The accompanying notes are an integral part of these Financial Statements

SPT SULPHUR POLYMER TECHNOLOGIES INC.

(Formerly 0990756 B.C. LTD.)

STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

For the Years Ended

	March 31, 2015	March 31, 2014
	\$	\$
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Loss for the year	(306,061)	(2,519)
Adjusted for:		
Accrued interest income	(1,452)	-
Stock based compensation	8,050	-
Impairment of investments	27,500	-
Net change in non-cash working capital items:		
Subscription receivable	-	(100)
GST receivable	(3,536)	-
Prepaid	(13,862)	-
Accounts payable and accrued liabilities	12,770	2,500
Net cash provided by (used in) operating activities	(276,591)	(119)
Financing activities		
Shares issuance on incorporation	-	100
Shares issued for cash	455,000	-
Shares issuance costs	(7,500)	-
Advance from the former parent company	(5,000)	5,000
Proceed on loan payable	15,000	-
Net cash provided by financing activities	457,500	5,100
Investing activities		
Licence – Sulstar Technologies	(25,000)	-
Due from a related party	(65,000)	-
Short-term loan	(25,000)	-
Net cash used in investing activities	(115,000)	-
Change in cash	65,909	4,981
Cash, beginning of the period	4,981	-
Cash, end of the period	70,890	4,981
Cash paid during the period for interest expense	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these Financial Statements

SPT SULPHUR POLYMER TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2015 and 2014
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

SPT Sulphur Polymer Technologies Inc. (Formerly 0990756 B.C. Ltd.) (the "Company") was incorporated as a numbered company under the laws of the Province of British Columbia on January 12, 2014 and changed its name on August 1, 2014. Pursuant to a plan of arrangement (the "Arrangement") dated January 14, 2014, between the Company and Vinergy Resources Ltd. ("Vinergy" or "VIN"), the Company acquired from Vinergy a contract of purchase and sale with TBG Capital Inc. for a property in Leduc, Alberta (the "Property Contract") and \$5,000 in cash as part of the Arrangement and commenced operations with a view to entering the real estate development business in Vancouver, British Columbia.

As consideration for the Property Contract and the cash, the Company issued to Vinergy 2,633,334 common shares in its capital, which shares were distributed by Vinergy to its shareholders. Vinergy completed the share distribution on June 18, 2014.

With the completion of the share distribution, on June 18, 2014, the Company became a reporting issuer in British Columbia, Alberta and Ontario. On December 17, 2014 the Company was listed and began trading on the Canadian Securities Exchange ("CSE") under the symbol ("SEE").

As a start-up, the Company is examining and evaluating the real estate development business and other business ventures that have been presented to the Company, including an opportunity to acquire a licence and participate in the technological development and sale of sulphur polymers for a variety of industrial purposes.

The head office and registered and records office for the Company is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6,

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. 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. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop the real estate business and raise additional financing as required, or develop, finance and market sulphur polymers or other business opportunities that may be presented to the Company.

Business as a real estate development company or as a company developing and marketing sulphur polymers may take some time to achieve profitable operation and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, at March 31, 2015, the Company had not yet achieved profitable operations and has accumulated losses of \$308,580 since its inception and expects to incur further losses in the development of its business, all of which casts 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 in existence.

SPT SULPHUR POLYMER TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2015 and 2014
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information

3. SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments 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. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the financial statements are discussed in Notes 3d), 3e), 3f) and 3i).

b. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at March 31, 2015, there is \$Nil included as cash equivalents.

c. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the

SPT SULPHUR POLYMER TECHNOLOGIES INC.
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Shared-based payments (continued)

Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

d. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

(loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and advance from parent company are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
GST receivable, Short-term loan and due from a related party	Loans and receivable
Investment in securities	Available-for-sale financial assets
Accounts payable and accrued liabilities, property option payable, investor deposits and due to a related party	Other liabilities

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f. Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

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NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Impairment (continued)

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Earnings (loss) per share (continued)

weighted average share outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

i. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

k. Accounting standards, interpretations and amendments to existing standards that are not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after April 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

The IASB has issued IFRS 9 - Financial Instruments ("IFRS 9") which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its financial statements based on the characteristics of its financial instruments at the time of adoption.

SPT SULPHUR POLYMER TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. As at March 31, 2015, the Company considers that it has one reportable business segment, the license to manufacture, sell and distribute products under the Sulstar license.

4. COMMITMENT

- a) The Company has no commitments at March 31, 2015 other than the Contract of Purchase and Sale transferred from its former parent company, Vinergy.
- b) By a Contract of Purchase and Sale between TBG Capital Inc. of Beaumont, AB ("Seller") and Vinergy Resources Ltd. of Edmonton, AB ("Buyer") dated November 29, 2013 and amended on January 31, 2014, and amended a second time on September 30, 2014, the Buyer agreed to acquire the property located in Leduc City, Alberta ("Property").

The Buyer agreed to purchase the Property from the Seller on the following terms and subject to the following conditions:

- 1. PURCHASE PRICE: The purchase price of the Property would be Six Hundred and Fifty Thousand Dollars \$650,000.00 (Purchase Price).
- 2. DEPOSIT: A total deposit of Fifty Thousand Dollars (\$50,000.00) which will form part of the Purchase Price to be paid by June 30, 2014 and September 30, 2014.
- 3. \$600,000.00 upon completion not later than December 31, 2014;

On June 30, 2014 the Company issued a promissory note to TBG Capital Inc. for \$2,500 with non-interest bearing in recognition of the first tranche of the \$50,000 deposit due by September 30, 2014.

On December 8, 2014 the Contract of Purchase and Sale with TBG Capital Inc. was terminated, and subsequently, investment of \$2,500 was written off to statements of operation..

As at March 31, 2015, the Company had a promissory note payable of \$2,500 with non-interest bearing and due on demand to TBG Capital Inc.

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5. LOAN PAYABLE

The Company has a loan payable of \$15,000 to a third party. The loan is unsecured, without interest and due on demand.

6. LOANS RECEIVABLE

a) Promissory note receivable

The Company has advanced a loan of \$25,000 to an arms' length company. The loan is repayable on September 30, 2016 and accrues interest at the rate of 10% per annum, annually in arrears. As at March 31, 2015, interest of \$1,452 was accrued.

b) Due from a related party

The Company has advanced an amount of \$65,000 to Leucadia Finance Partners Inc., a company the majority of whose directors are also directors of the Company. The loan is unsecured, without interest and due on demand.

7. SULSTAR LICENCE

Sulstar Licence

On July 17th, 2014 the Company acquired a license from Sulstar Technologies Inc., a British Columbia corporation, for a patented technology for converting waste sulphur into unique granulated thermoplastic asphalt binder and a modified sulphur polymer concrete marketed under the names of Sulstar and Sulconcrete, respectively, for the provinces of British Columbia, Alberta, Saskatchewan and the Yukon Territory, in consideration of \$25,000 cash (paid) and a 2% royalty on all sales. The license has a five year term (expires on August 14, 2019) and is renewable based on performance.

During the year ended March 31, 2015, the Company recorded impairment in the amount of \$25,000 as the Company had no immediate plans to conduct further business on this project.

SPT SULPHUR POLYMER TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2015 and 2014
(Expressed in Canadian dollars)

8. CAPITAL STOCK

Authorized: An unlimited number of common shares, without par value.

The following transactions took place in the year end March 31, 2104:

10 common shares were issued at \$10 per common share in January of 2014 to Vinergy. The incorporator shares were cancelled in June of 2014.

The following transactions took place during the year ended March 31, 2015:

On August 29th, 2014 the Company consolidated its share capital on a basis of 10 old shares for one new share. All mention of shares in these financial statements has been adjusted retroactively. As discussed in Note 1, the Company issued 2,633,334 post consolidation common shares to Vinergy in June of 2014 and Vinergy re-distributed these shares to its shareholders as of the record date of June 5, 2014. The aggregate fair value of these shares in the amount of \$5,000 was based on the fair value estimates of assets transferred from Vinergy to the Company. On January 30, 2014, Vinergy transferred \$5,000 cash and assigned the Contract of Purchase and Sale valued at \$Nil to the Company.

On September 23, 2014 the Company closed a \$300,000 private placement. The financing was for 15,000,000 common shares at \$0.02 each.

On December 8, 2014 the Company closed a \$150,000 private placement. The financing was for 1,500,000 common shares at \$0.10 each. Finder's fee of \$7,500 was paid.

Stock Options:

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On September 29, 2014, the Company granted 800,000 options to officers, directors and consultants. They have an exercise price of \$0.10 for a period of five years from the date of issue. The options were fully vested upon issue. During the year ended March 31, 2015, the Company has recognized \$8,050 (2014 - \$nil) in compensation upon issuance of 800,000 stock options (2014 - nil). The fair values of these options were determined using the Black-Scholes option pricing model with the following assumptions.

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(Expressed in Canadian dollars)

8. CAPITAL STOCK (Continued)

Stock Options: (Continued)

	March 31, 2015
Risk-free interest rate	1.62%
Experienced life of options	5
Annualized volatility	100.00%
Forfeiture rate	-
Dividend rate	-

As at March 31, 2015, the Company had stock options outstanding and exercisable enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
800,000	\$0.10	September 29, 2019
800,000		

A summary of the status of the Company's stock options as at March 31, 2015 and March 31, 2014, and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life Years
Balance, January 12, 2014	-	\$-	-
Granted	-	-	-
Balance, March 31, 2014	-	\$-	-
Granted	800,000	\$0.10	5.00
Balance, March 31, 2015	800,000	\$0.10	4.50

9. Capital Disclosures

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash 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 development of the real estate development Business. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

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10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investment in securities, short term loan, due from (to) a related party, accounts payable and accrued liabilities and property option payable. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accrued liabilities approximate their carrying values due to their short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Company fails to develop the real estate development Business. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

The Company's credit risk was primarily attributable to bank balances and subscriptions receivable. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions. Subscriptions receivable is due from the parent company and management believes that the credit risk to be minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company had a cash balance of \$70,890 and current liabilities of \$32,770. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short-term and long-term cash requirements.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

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11. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2015 the Company:

- a) \$3,232 in accounting fees were charged by a former director of the Company (resigned on May 20, 2015); and
- b) advanced a loan to a company with common directors as described in Note 6b.

As at March 31, 2015, the Company owed an advance of \$nil (March 31, 2014 - \$5,000 to) Vinergy and also had a subscription receivable of \$nil (March 31, 2014 - \$100) to be received from Vinergy.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

12. SEGMENTED INFORMATION

As Contract of Purchase and Sale between TBG Capital Inc. has been terminated during the year ended March 31, 2015, the Company had one reportable operating segment as at March 31, 2015: its license from Sulstar Technologies Inc. for the right to manufacture, sell and distribute products under the trade names Sulstar and Sulconcrete in Western Canada.

13. INCOME TAXES

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

	2015	2014
Loss for the year	\$ (306,061)	\$ (2,519)
Income tax recovery at statutory rate of 26% (2014: 26%)	(79,576)	(655)
Deductible & non-deductible items	7,778	-
Current and prior tax attributes not recognized	71,798	655
	-	-
Details of deferred tax assets are as follows :		
	2015	2014
<u>Deferred tax assets</u>		
Non-capital losses	\$ 70,893	\$ 655
Share issuance costs	1,560	-
Unrecognized deferred tax assets	(72,453)	(655)
	\$ -	\$ -

At March 31, 2015, the Company has non-capital losses carried forward for Canadian income tax purposes totalling approximately \$270,000, expiring through to 2035.

At March 31, 2015, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

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14. SUBSEQUENT EVENTS

In July, 2015, the Company entered into a share purchase agreement to acquire a 90-per-cent interest in a Polish private company, LeenLife Pharma SA, which has developed a process to isolate omega-3 fatty acids from flax seeds. The purchase price is comprised of 12,232,788 common shares of the Company at a deemed issuance price of \$0.1875 per share for an aggregate value of \$2,293,648 and \$563,044 in cash consideration due by October 31, 2015. The Share Purchase Agreement is subject to regulatory approval. Completion of the proposed transaction is subject to a number of conditions, including, but not limited to, execution of a definitive agreement in respect of the proposed transaction. There can be no assurance that the proposed transaction will be completed as proposed or at all.

Subsequent to March 31, 2015, the remaining balance of 800,000 stock options were cancelled or forfeited.