QUADRON CAPITAL CORPORATION

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the years ended April 30, 2016 and 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Quadron Capital Corporation

We have audited the accompanying consolidated financial statements of Quadron Capital Corporation, which comprise the consolidated statements of financial position as at April 30, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Quadron Capital Corporation as at April 30, 2016 and 2015 and its financial performance and its cash flows for the years then ended 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 describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Quadron Capital Corporation's ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 29, 2016

Quadron Capital Corporation

Consolidated Statements of Financial Position
As at April 30,
(Expressed in Canadian dollars)

		2016		2015
Assets				
Current assets				
Cash and cash equivalents	**$**	**662,960**	$	1,583
Inventory (Note 6)		**464,050**		-
Accounts receivable		**140,795**		-
Prepaid expenses		**35,317**		-
GST recoverable		**55,275**		1,239
		1,358,397		2,822
Promissory note (Note 7)		**450,000**		-
Equipment (Note 8)		**384,984**		-
	$	**2,193,381**	$	2,822
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**721,991**	$	3,675
Amounts payable to related parties (Note 12)		**52,690**		9,628
		774,681		13,303
Shareholders' equity (deficiency)				
Share capital (Note 11)		**2,990,000**		120,000
Share-based payment reserve (Note 11)		**103,799**		-
Deficit		**(1,675,099)**		(130,481)
		1,418,700		(10,481)
	$	**2,193,381**	$	2,822

Nature and continuance of operations (Note 1)
Related party transactions (Note 12)

Approved on behalf of the Board on August 29, 2016:

"Rosy Mondin"
Rosy Mondin – CEO and President

"Doug McFaul"
Doug McFaul - Director

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

Quadron Capital Corporation

Consolidated Statements of Loss and Comprehensive Loss
Years ended April 30,
(Expressed in Canadian dollars)

		2016		2015
Sales	**$**	**166,823**	$	-
Cost of sales		**(119,724)**		-
		47,099		-
Expenses (income)				
Accounting and legal (Note 12)	**$**	**72,709**	$	12,747
Bank charges		**1,758**		-
Consulting fees (Note 12)		**25,375**		20,000
Depreciation (Note 8)		**73,482**		-
Filing fees		**4,554**		1,925
General and administrative		**34,571**		128
Interest income (Note 7)		**(7,663)**		-
Management fees (Note 12)		**34,000**		-
Marketing and research		**47,608**		-
Remuneration and benefits (Note 12)		**45,621**		-
		332,015		34,800
Share-based payment – Soma acquisition (Note 10)		**1,155,903**		-
Share-based payment – Issuance of stock options (Note 11)		**103,799**		-
		1,259,702		-
Loss and comprehensive loss for the year	**$**	**(1,544,618)**	$	(34,800)
Weighted average number of common shares outstanding – basic and diluted		**17,932,932**		7,498,630
Basic and diluted loss per share	**$**	**(0.09)**	$	(0.00)

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

Quadron Capital Corporation

Consolidated Statements of Cash Flows
Years ended April 30,
(Expressed in Canadian dollars)

		2016		2015
Cash flows from operating activities:				
Net loss for the year	**$**	**(1,544,618)**	$	(34,800)
Items not involving cash:				
Depreciation		**73,482**		-
Share-based payments		**1,259,702**		-
Change in non-cash operating working capital:				
Inventory		**(464,050)**		-
Accounts receivable		**(112,567)**		-
Prepaid expenses		**102,183**		-
GST recoverable		**(31,251)**		(847)
Accounts payable and accrued liabilities		**331,632**		1,334
Amounts payable to related parties		**(20,347)**		7,128
		(405,834)		(27,185)
Cash flows from investing activities:				
Loan to subsidiary prior to Acquisition		**(250,000)**		-
Cash received on amalgamation with subsidiary (Note 10)		**300,658**		-
Purchase of equipment		**(111,197)**		-
		(60,539)		-
Cash flows from financing activities:				
Issuance of common shares		**1,127,750**		20,000
		1,127,750		20,000
Change in cash for the year		**661,377**		(7,185)
Cash and cash equivalents, beginning of the year		**1,583**		8,768
Cash and cash equivalents, end of the year	**$**	**662,960**	$	1,583
Supplementary information with respect to cash flows:				
Income taxes paid	$	**-**	$	-
Interest paid	$	**-**	$	-

Significant non-cash activity – Note 9

Cash and cash equivalents are comprised of:				
Cash	$	**312,960**	$	1,583
Guaranteed investment certificate	$	**350,000**	$	-
	$	**662,960**	$	1,583

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

Quadron Capital Corporation

Consolidated Statement of Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Share-based Payment Reserve	Deficit	Total Shareholder's Equity (Deficiency)
Balance, April 30, 2014	6,800,000	$ 100,000	$ -	$ (95,681)	$ 4,319
Issuance of common shares	1,000,000	20,000	-	-	20,000
Net loss for the year	-	-	-	(34,800)	(34,800)
Balance, April 30, 2015	7,800,000	$ 120,000	$ -	$ (130,481)	$ (10,481)
Balance, April 30, 2015	7,800,000	$ 120,000	$ -	$ (130,481)	$ (10,481)
Issuance of common shares – private placements	11,277,500	1,127,750	-	-	1,127,750
Issuance of common shares – amalgamation with Soma Labs Scientific Inc. – Note 10	17,422,500	1,742,250	-	-	1,742,250
Issuance of stock options	-	-	103,799	-	103,799
Net loss for the year	-	-	-	(1,544,618)	(1,544,618)
Balance, April 30, 2016	**36,500,000**	**$ 2,990,000**	**$ 103,799**	**$ (1,675,099)**	**$ 1,418,700**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Quadron Capital Corporation (the "Company" or "Quadron") was incorporated under the British Columbia Business Corporations Act on November 7, 2011 and became a reporting issuer in British Columbia and Alberta on July 25, 2012. On December 4, 2014 the Company, formerly known as DePaul Capital Corporation, changed its name to Quadron Capital Corporation. The Company's head office is located at Suite 1600, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3, and it's registered and records office is located at Suite 885 W Georgia St #2200, Vancouver, BC V6C 3E8. The Company's shares are not publicly traded.

On November 5, 2015, the Company acquired 100% of the outstanding shares of 1054608 B.C. Ltd., a privately held company, for a nominal amount. 1054608 B.C. Ltd. had no assets or liabilities, nor an active business at the date of acquisition. The purpose of the acquisition relates to the Amalgamation Agreement discussed below.

On January 11, 2016, the Company announced that, pursuant to the definitive Amalgamation Agreement ("Amalgamation Agreement") executed November 6, 2015, a wholly-owned subsidiary of Quadron has completed the amalgamation (the "Acquisition") with Soma Labs Scientific Inc. ("Soma"). Soma is an arms' length private company incorporated under the laws of British Columbia. Security holders of Soma received 17,422,500 common shares and 2,000,000 preferred shares of Quadron in exchange for all of their common and preferred shares of Soma (See Note 10). Subject to the amalgamated entity achieving $1,000,000 in earnings before interest, taxes, depreciation and amortization for the fiscal year ending April 30, 2017, each preferred share will automatically convert into one common share of Quadron. The holders of Soma's convertible securities (warrants) also received convertible securities (warrants) of Quadron on a one-for-one basis. In contemplation of the Acquisition, the Company completed two private placements during the period, as discussed in Note 11.

On January 15, 2016, Greenmantle Products Limited ("Greenmantle") was incorporated pursuant to the provisions of the BC Business Corporations Act and is a wholly owned subsidiary of Quadron. Greenmantle's head office is located at 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3. Greenmantle's registered and records office is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

There is no assurance that any future business will be profitable. These factors may cast significant doubt as to the Company's ability to continue as a going concern.

The Company has generated minimal revenue from operations to date. The Company incurred a net loss of $1,544,618 during the year ended April 30, 2016 and as of that date the Company's deficit was $1,675,099. Consequently, the Company remains dependent upon the financial support of its shareholders. The future success of the Company is dependent on profitable operations of Soma and Greenmantle or the ongoing ability to finance the Company through the issuance of equity or debt.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These consolidated 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.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements.

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances, but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

(i) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

(ii) Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

2. BASIS OF PREPARATION (continued)

b) Use of estimates and judgments (continued)

(iii) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in profit or loss in the period for any difference between book value and net realizable value.

(iv) Equipment

The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate equipment's useful life, management must use its past experience with the same or similar assets, review engineering estimates and industry practices for similar pieces of equipment and apply statistical methods to assist in its determination of useful life.

(v) Determination of market value of Quadron common shares

As the Company is only a reporting issuer and not currently publicly traded, management must estimate the fair market value of the Company's shares when using its shares to procure assets or financing. Management can estimate the shares value by comparing other public companies of a similar size and nature as Quadron's and applying some of their metrics to Quadron's current situation.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

(i) Going concern

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents includes cash on deposit and highly liquid short-term interest bearing variable rate investments which are readily convertible into a known amount of cash. Cash and cash equivalents are held with Canadian financial institutions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Soma and Greenmantle. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated.

c) Revenue recognition

The Company's revenue is comprised of sales of its various product lines and the provision of research and laboratory services. In the case of its product lines, revenues are recognized when persuasive evidence of a sale arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured. For its services, revenue is recognized when the service has been rendered.

d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

All inventories are periodically reviewed for impairment due to slow-moving and obsolete inventory. The provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

e) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. The Company provides for depreciation using the following methods at rates designed to amortize the cost of the equipment over its period of expected use by the Company. A full year of depreciation is recorded in the year of acquisition. No depreciation is recorded in the year of disposal. The estimated useful lives of assets are reviewed by management and adjusted if necessary. The annual depreciation rates and methods are as follows:

Furniture and equipment: straight-line, 5 years

Computer hardware: straight-line, 3 years

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Impairment of non-financial assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost 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 assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest group of assets that generate cash inflows or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

g) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

h) Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment, otherwise, share-based payments are measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company does not have any provisions for the periods presented.

j) Financial instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 assets or liability either directly or indirectly
- Level 3 - Inputs that are not based on observable market data.

The measurement of the Company’s financial instruments is disclosed in Note 14 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

k) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

i. Fair value through profit or loss (“FVTPL”)

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

Financial assets (continued)

ii. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

iii. Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

iv. Available-for-sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

i. Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss.

ii. Other financial liabilities

This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company has classified its cash and cash equivalents as fair value through profit or loss. Accounts receivable, GST recoverable and the promissory note are classified as loans and receivables. The Company’s accounts payable and accrued liabilities, and amounts payable to related parties are classified as other financial liabilities.

l) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares in issue during the period. Diluted earnings represents the profit for the period, divided by the weighted average number of common shares in issue during the period plus the weighted average number of dilutive shares that could result from the exercise of stock options, warrants and other similar instruments where the inclusion of these items would not be anti-dilutive. When a loss per share calculation based on the fully diluted number of shares would be less than the loss per share calculated on the basic number of shares, diluted losses per share is anti-dilutive and accordingly, the diluted loss per share would be the same as the basic loss per share.

m) Income tax

Income tax on the earnings or loss for the periods presented comprises current and deferred tax. Income tax is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Income tax (continued)

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date applicable to the period in which realization or settlement can reasonably be expected.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

o) Warrants

The company issues equity-settled incentives to certain employees, Directors and consultants in the form of warrants. Equity-settled warrants are measured at fair value at the date of acceptance. Fair value of warrants are measured by use of the Black-Scholes model.

4. NEW ACCOUNTING PRONOUNCEMENT ADOPTED

The following amendment to existing standards has been adopted by the Company effective January 1, 2015:

- IAS 7 – Amended to require additional disclosure on transition from IAS 39 and IFRS 9

The adoption of this standard did not have an impact on the financial statements.

(Expressed in Canadian dollars)

5. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended April 30, 2016, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements:

- IFRS 9 - New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.

6. INVENTORY

		2016
Balance, April 30, 2014 and 2015	$	-
Additions		464,050
Balance, April 30, 2016	**$**	**464,050**

The inventory as at April 30, 2016 consists primarily of Premium Disposal Vapour Pens, their activation cartridges and associated packaging materials.

7. PROMISSORY NOTE

Prior to the Acquisition, on November 5, 2015, Soma advanced $450,000 to Odorchem Manufacturing Corporation ("Odorchem") by way of a Promissory Note ("Note") issued to Soma (Note 10). Interest accrues on the Note at the simple rate of 5.5% per annum and is payable on the maturity date, November 5, 2017. Odorchem may repay the Note and all accrued interest thereon at any time from time to time without notice or penalty. Odorchem shall pay all amounts due and owing under the Note on or before November 5, 2017. All amounts due and owing under the Note are secured by way of a General Security Agreement over all of Odorchem's present and after acquired assets.

From the date of the Acquisition on January 8, 2016, to April 30, 2016, $7,663 in interest has been accrued and disclosed on the consolidated statement of loss and comprehensive loss as interest income. Odorchem is an arm's length party.

(Expressed in Canadian dollars)

8. EQUIPMENT

	Furniture and Equipment	Computer Hardware	Total
Costs:			
Balance, April 30, 2014 and 2015	$ -	$ -	$ -
Additions [1]	449,998	8,468	458,466
Balance, April 30, 2016	**$ 449,998**	**$ 8,468**	**$ 458,466**
Accumulated Depreciation:			
Balance, April 30, 2014 and 2015	$ -	$ -	$ -
Amortization	71,365	2,117	73,482
Balance, April 30, 2016	**$ 71,365**	**$ 2,117**	**$ 73,482**
Net Book Value:			
April 30, 2015	$ -	$ -	$ -
April 30, 2016	**$ 378,633**	**$ 6,351**	**$ 384,984**

(1) During the year, $270,373 represent the equipment acquired on the Acquisition of Soma (Note 10).

9. SIGNIFICANT NON-CASH ACTIVITY

The following is a detailed description of a significant non-cash activity recorded by the Company during the year ended April 30, 2016:

As part of the amalgamation with Soma, the Company issued 17,422,500 common shares and 2,000,000 preferred shares having a fair value of $1,742,250, in consideration for Soma (Note 10).

A total of $76,896 of equipment purchases is included in accounts payable and accrued liabilities.

The Company had no significant non-cash activity during the year ended April 30, 2015.

10. AMALGAMATION AGREEMENT

Effective January 8, 2016, Quadron acquired all the issued and outstanding share capital of Soma. As consideration, Quadron issued 17,422,500 common shares and 2,000,000 preferred shares in exchange for all common and preferred shares of Soma issued and outstanding immediately prior to the completion of the amalgamation. The Company also issued one warrant for each Soma warrant held immediately prior to the date of the completion of the amalgamation (4,361,250 warrants issued). The warrants had an original value, and value on reissuance, of $nil.

The Acquisition has been accounted for as an asset acquisition. The Acquisition is not considered a reverse takeover. Soma's results of operations are included in the Company's consolidated results from January 8, 2016, onwards.

(Expressed in Canadian dollars)

10. AMALGAMATION AGREEMENT (continued)

The net assets of Soma had a fair value of $586,347, on January 8, 2016, as follows:

Cash	$	**300,658**
Receivables		**28,228**
GST recoverable		**22,785**
Prepaid expenses		**137,500**
Promissory note- Odorchem		**450,000**
Equipment		**270,373**
Loan payable to Quadron		**(250,000)**
Amounts payable to related parties		**(63,409)**
Accounts payable and accrued liabilities		**(309,788)**
	$	**586,347**

The fair value of the common and preferred shares issued in connection with this amalgamation was $1,742,250. The excess of $1,155,903 over the fair value of Soma's net assets has been allocated as a share-based payment.

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

a) Authorized

Unlimited common shares without par value – 36,500,000 issued and outstanding as at April 30, 2016.

Unlimited preferred shares without par value – 2,000,000 issued and outstanding as at April 30, 2016. Subject to the Company achieving $1,000,000 in earnings before interest, taxes, depreciation and amortization (the "Financial Milestone") for the fiscal period ending April 30, 2017, each preferred share will automatically convert into one common share of the Company. If the Company fails to achieve the Financial Milestone, it may, at any time after the effective date of the financial statements, purchase any or all of the preferred shares held by any one holder at a price per preferred share of CAD $0.0001.

b) Stock options

During the year ended April 30, 2016 the Company adopted a Stock Option Plan under which the Board of Directors may, from time to time, in its discretion, and in accordance with regulatory policies, grant to directors, officers, employees and consultants of the Company, options to purchase Company shares, provided that the number of Company Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Company shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis, or 2% if the optionee is a consultant. All Options granted to a Participant under the Plan will become vested on the Grant Date, or at such other time as may be established by the Board at the time of the grant in compliance with requirements of the Exchange. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date.

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options (continued)

On January 22, 2016, the Company granted 1,400,000 options, which vested immediately, having an exercise price of $0.10 each, exercisable at any time up until and including January 22, 2021. The fair value of the options granted was determined to be $103,799 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 0.76%; expected life - 5 years; expected volatility - 100% and expected dividends - nil. The weighted average per option granted was $0.07.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2015 and 2014	**-**	**$ -**
Granted	1,400,000	0.10
Balance, April 30, 2016	**1,400,000**	**0.10**

A summary of the Company's stock options as at April 30, 2016 are as follows:

Grant Date	Number of Options outstanding	Number of Options exercisable	Weighted Average Exercise Price	Expiry date	Weighted Average Remaining contractual life (years)
January 22, 2016	1,400,000	1,400,000	$ 0.10	January 22, 2021	4.73
Total	**1,400,000**	**1,400,000**	**$ 0.10**		**4.73**

c) Share issuance

On November 6, 2015, the Company closed a non-brokered private placement of 6,640,000 units at $0.10 per unit for gross proceeds of $664,000. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. All the securities issued in the financing have a 4 month hold period expiring March 7, 2016. The residual value of the warrants attached to the units was determined to be $nil.

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

c) Share issuance (continued)

On December 31, 2015, the Company closed a non-brokered private placement of 4,637,500 units at $0.10 per unit for gross proceeds of $463,750. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. All the securities issued in the financing have a 4 month hold period expiring May 1, 2016. The residual value of the warrants attached to the units was determined to be $nil.

On January 11, 2016, pursuant to acquisition of Soma, the Company issued 17,422,500 common shares and 2,000,000 preferred shares of Quadron in exchange for all of their common and preferred shares of Soma.

d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, April 30, 2015 and 2014	-	$ -
Issued - November 6, 2015 private placement	3,320,000	0.20
Issued - December 31, 2015 private placement	2,318,750	0.20
Outstanding Soma warrants converted to Quadron warrants upon amalgamation – January 8, 2016	4,361,250	0.20
Balance, April 30, 2016	10,000,000	$ 0.20

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

d) Warrants (continued)

A summary of warrants outstanding are as follows:

Issue Date	Number of Warrants outstanding	Weighted Avg. Exercise Prices	Expiry date	Weighted Avg. Remaining contractual life (years)
January 8, 2016	500,000	$ 0.20	January 31, 2017[1]	0.76
January 8, 2016	1,150,000	$ 0.20	October 8, 2017[1]	1.44
November 6, 2015	3,320,000	$ 0.20	November 6, 2017[1]	1.52
January 8, 2016	2,711,250	$ 0.20	November 9, 2017[1]	1.53
December 31, 2015	2,318,750	$ 0.20	December 31, 2017[1]	1.67
	10,000,000	$ 0.20		1.51

[1]If at any time prior to the Expiry Date the Company completes a Going Public Transaction, each warrant shall entitle the holder thereof to purchase one warrant share at a price of $0.20 for a period expiring 18 months from the date of the Going Public Transaction.

12. RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Summary of expenses incurred:

Type of Service	Nature of Relationship	For the year ended April 30, 2016	2015
Consulting fees[1]	To an officer, and to a company with a director in common with the Company	**$ 25,000**	$ 20,000
Management fees	To a company with officers and directors in common with the Company	**34,000**	-
Legal Fees[1]	To a law firm that a director of the Company is a partner in	**52,609**	4,146
Remuneration and benefits[1]	To an officer of the Company	**15,000**	-
Share-based payment[1]	To an officer of the Company	**103,799**	-
Total		**$ 230,408**	$ 24,146

[1]Key management personnel

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS (continued)

Summary of amounts due to related parties:

Type of Service	Nature of Relationship	April 30, 2016	April 30, 2015
Consulting fees[1]	To an officer, director and to a company that has a director in common with the Company	**$ 18,310**	$ 2,625
Loans payable	To a company that has a director in common with the Company	**1,650**	-
Management fees	To a company with officers and directors in common with the Company	**8,400**	
Legal Fees[1]	To law firms that a director of the Company was and/or is a partner in	**15,130**	7,003
Administrative expenses	To a company with an officer and director in common with the Company	**9,200**	
Due to related parties		**$ 52,690**	$ 9,628

[1]Key management personnel

Unless otherwise specified, amounts due to related parties referred to above are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services as described above.

13. INCOME TAXES

The Company has temporary differences that have not been included on the statement of financial position as follows:

	April 30, 2016	April 30, 2015
	$	$
Non-capital losses available for future periods	**526,000**	**130,000**
Equipment	**74,000**	**-**

The Company's non-capital losses expire between 2032 and 2036 and the Company's temporary differences from equipment have no expiry date.

(Expressed in Canadian dollars)

13. INCOME TAXES (continued)

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	April 30, 2016	April 30, 2015
	$	$
Net loss for the year before taxes	(1,544,618)	(34,800)
Canadian statutory income tax rate	26.00%	26.00%
Expected tax recovery	(402,000)	(9,000)
Permanent difference	329,000	-
Impact of asset acquisition	(49,000)	-
Change in unrecognized deductible temporary differences	122,000	9,000
Income tax recovery	-	-

14. FINANCIAL INSTRUMENTS

a) Fair value risk

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, promissory note, GST recoverable, accounts payable and accrued liabilities and amounts payable to related parties.

The Company's financial instruments with the exception of cash and cash equivalents approximate their fair value due to their short-term maturities and with respect to the promissory note due to its market value and interest rate. The Company's other financial instrument, cash, is classified as fair value through profit or loss under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and price risk and are disclosed as follows:

i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has only a nominal amount of assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to foreign exchange risk is limited.

ii) Interest rate risk

The Company is not exposed to interest rate risk because it does not have any assets or liabilities that are affected by changes in interest rates except for cash and cash equivalents which poses an insignificant risk exposure to changes in interest rates.

14. FINANCIAL INSTRUMENTS (continued)

b) Market risk (continued)

iii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All of the Company's cash and cash equivalents are held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. The Company's GST recoverable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited. The Company's current accounts receivable consists of amounts due from its contract with Odorchem (considered fully collectible) and various other customers (amounts considered fully collectible); however, these receivables do pose a moderate credit risk. The promissory note is secured by a General Security Agreement and the exposure to credit risk on this note is considered to be limited. Subsequent to April 30, 2016 approximately $120,000 of accounts receivable was collected.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At April 30, 2016, the Company has a cash and cash equivalents balance of $662,960 to settle current liabilities of $774,681. The Company manages its liquidity risk by attempting to maintain sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are all current. As the Company has limited sources of revenue, it may require additional financing to accomplish its long term strategic objectives. On November 6, 2015 the Company closed on a non-brokered private placement of 6,640,000 units at $0.10 per unit for gross proceeds of $664,000 and on December 31, 2015 the Company closed on a non-brokered private placement of 4,637,500 units at $0.10 per unit for gross proceeds of $463,750. The Company will use the proceeds from these private placements to fund operating activities for the next 12 months and pursue other complementary business opportunities.

(Expressed in Canadian dollars)

15. MANAGEMENT OF CAPITAL

The Company's capital structure consists of shareholders' equity (deficiency). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a qualifying transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

16. SEGMENTED INFORMATION

The Company has three principle reporting segments being the sale of premium disposable vapor pens and related materials, laboratory, research and development services and corporate and administration. The reportable segments were determined based on the nature of the services provided and goods sold.

Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Consolidated statements of loss and comprehensive loss		**Year ended April 30, 2016**		Year ended April 30, 2015
Sales to external customers				
Sale of premium disposable vapor pens and related materials	**$**	**144,354**	$	-
Laboratory, research and development services		**22,469**		-
Corporate and administration		**-**		-
	$	**166,823**	$	-
Income (loss) before income taxes				
Sale of premium disposable vapor pens and related materials	**$**	**(19,971)**	$	-
Laboratory, research and development services		**(142,043)**		-
Corporate and administration		**(1,382,604)**		(34,800)
	$	**(1,544,618)**	$	(34,800)
Depreciation and amortization				
Sale of premium disposable vapor pens and related materials	**$**	**-**	$	-
Laboratory, research and development services		**73,482**		-
Corporate and administration		**-**		-
	$	**73,482**	$	-

(Expressed in Canadian dollars)

16. SEGMENTED INFORMATION (continued)

The Company evaluates performance based on several factors, of which the primary financial measure is business segment income before taxes. The following tables summarize the operations of the Company's reportable segments for the years ended April 30, 2016 and 2015:

Consolidated statements of financial position		**As at April 30, 2016**		As at April 30, 2015
Assets				
Sale of premium disposable vapor pens and related materials				
Identifiable assets	**$**	**825,604**	$	-
	$	**825,604**	$	-
Laboratory, research and development services				
Identifiable assets	$	**936,407**	$	-
	$	**936,407**	$	-
Corporate and administration				
Identifiable assets	$	**431,370**	$	2,822
	$	**431,370**	$	2,822
Total Assets	$	**2,193,381**	$	2,822
Liabilities				
Sale of premium disposable vapor pens and related materials	**$**	**(595,575)**	$	-
Laboratory, research and development services		**(142,565)**		-
Corporate and administration		**(36,541)**		(13,303)
	$	**(774,681)**	$	(13,303)

As at April 30, 2016 all of the Company’s identifiable assets are located in Canada.

The Company is exposed to significant sales and accounts receivable concentration. For the year ended April 30, 2016, 4 customers accounted for approximately 99% of revenues and 93% of accounts receivables.