AURORA SOLAR TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Stated in Canadian Funds

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Aurora Solar Technologies Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern.

24 July 2017

"Michael Heaven"

Michael Heaven, CEO

"Grant T. Smith"

Grant T. Smith, CFO

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Aurora Solar Technologies Inc.

We have audited the accompanying consolidated financial statements of Aurora Solar Technologies Inc., which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of comprehensive loss, changes in equity 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.

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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Aurora Solar Technologies Inc. as at March 31, 2017 and 2016 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 consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Aurora Solar Technologies Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 26, 2017

AURORA SOLAR TECHNOLOGIES INC.

Canadian Funds

Statement 1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note		As at 31 March 2017		As at 31 March 2016
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**2,004,960**	$	356,299
Amounts receivable	(7)		**16,042**		35,938
Prepaid expenses	(8)		**22,804**		36,004
Inventory	(9)		**110,207**		224,670
			2,154,013		652,911
Non-current Assets					
Patents	(11)		**64,596**		63,051
Other assets	(11)		**72,593**		40,113
			137,189		103,164
		$	**2,291,202**	$	756,075
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	(14)	**$**	**201,591**	$	141,991
Deferred revenue			**58,883**		27,947
			260,474		169,938
EQUITY (STATEMENT 3)					
Share capital	(12)		**10,090,420**		7,719,274
Contributed surplus – warrants			**133,203**		77,203
Contributed surplus – options			**1,192,498**		813,678
Obligation to issue shares			**63,000**		-
Deficit			**(9,448,393)**		(8,024,018)
			2,030,728		586,137
		$	**2,291,202**	$	756,075

Nature of operations and going concern	(1)	Commitment	(16)
Basis of preparation - Statement of Compliance	(2)	Subsequent events	(18)
Capital management	(13)		

These consolidated financial statements were approved by the Board of Directors on 24 July 2017 and were signed on its behalf by:

"Michael Heaven" — Michael Heaven, Director

"David Toyoda" — David Toyoda, Director

The accompany notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenues			
Product sales		$ **1,414,575**	$ 287,074
Cost of sales		**(799,193)**	(232,316)
Gross margin		**615,382**	54,758
Expenses			
Salaries and wages	(14)	**689,414**	604,261
Share-based payments	(12)	**446,804**	23,894
Consulting fees		**413,958**	441,336
Operating expense		**372,386**	423,309
Professional fees	(14)	**112,772**	177,874
Depreciation	(11)	**4,423**	3,717
		2,039,757	1,674,391
Net Loss from Operating Activities and Comprehensive Loss		$ **(1,424,375)**	$ (1,619,633)
Net Loss per Common Share – Basic and Diluted		$ **(0.04)**	$ (0.05)
Weighted Average Number of Shares Outstanding		**37,628,804**	31,711,862

The accompany notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Obligation to issue shares	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
BALANCE AT 1 APRIL 2015	26,906,853	$ 6,067,788	$ -	3,632,050	$ 43,203	3,398,192	$ 789,784	$ (6,404,385)	$ 496,390
Private placement issuances	6,280,833	1,884,250	-	3,140,416	-	-	-	-	1,884,250
Agents' warrants issued	-	(34,000)	-	376,850	34,000	-	-	-	-
Share issuance costs	-	(177,465)	-	-	-	-	-	-	(177,465)
Warrants expired	-	-	-	(1,372,000)	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	8,247	-	8,247
Net loss for the period	-	-	-	-	-	-	-	(421,505)	(421,505)
BALANCE AT 30 JUNE 2015	33,187,686	$ 7,740,573	-	5,777,316	$ 77,203	3,398,192	$ 798,031	$ (6,825,890)	$ 1,789,917
Share issuance costs	-	(21,299)	-	-	-	-	-	-	(21,299)
Net loss for the period	-	-	-	-	-	-	-	(432,266)	(432,266)
BALANCE AT 30 SEPTEMBER 2015	33,187,686	$ 7,719,274	-	5,777,316	$ 77,203	3,398,192	$ 798,031	$ (7,258,156)	$ 1,336,352
Options granted	-	-	-	-	-	150,000	-	-	-
Options expired	-	-	-	-	-	(180,000)	-	-	-
Share-based payments	-	-	-	-	-	-	11,876	-	11,876
Net loss for the period	-	-	-	-	-	-	-	(493,691)	(493,691)
BALANCE AT 31 DECEMBER 2015	33,187,686	$ 7,719,274	-	5,777,316	$ 77,203	3,368,192	$ 809,907	$ (7,751,847)	$ 854,537
Warrants expired	-	-	-	(2,260,050)	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	3,771	-	3,771
Net loss for the period	-	-	-	-	-	-	-	(272,171)	(272,171)
BALANCE AT 31 MARCH 2016	33,187,686	$ 7,719,274	$ -	3,517,266	$ 77,203	3,368,192	$ 813,678	$ (8,024,018)	$ 586,137

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity - Continued

	Shares	Amount	Obligation to issue shares	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
Balance 01 April 2016	33,187,686	$ 7,719,274	$ -	3,517,266	$ 77,203	3,368,192	$ 813,678	$ (8,024,018)	$ 586,137
Obligation to issue shares	-	-	373,000	-	-	-	-	-	373,000
Options expired	-	-	-	-	-	(450,000)	-	-	-
Share-based payments	-	-	-	-	-	-	3,603	-	3,603
Net loss for the period	-	-	-	-	-	-	-	(310,527)	(310,527)
Balance 30 June 2016	33,187,686	$ 7,719,274	$ 373,000	3,517,266	$ 77,203	2,918,192	$ 817,281	$ (8,334,545)	$ 652,213
Obligation to issue shares	-	-	(373,000)	-	-	-	-	-	(373,000)
Private placement issuance	5,175,167	776,275	-	5,175,167	-	-	-	-	776,275
Issuance of agents warrants	-	(5,000)	-	221,795	5,000	-	-	-	-
Share issuance costs	-	(48,791)	-	-	-	-	-	-	(48,791)
Share-based payments	-	-	-	-	-	-	1,796	-	1,796
Options expired	-	-	-	-	-	(280,000)	-	-	-
Net loss for the period	-	-	-	-	-	-	-	(382,502)	(382,502)
Balance 30 September 2016	38,362,853	$ 8,441,758	$ -	8,914,228	$ 82,203	2,638,192	$ 819,077	$ (8,717,047)	$ 625,991
Share-based payments	-	-	-	-	-	3,077,381	217,405	-	217,405
Shares on option exercise	1,252,381	134,500	-	-	-	-	-	-	134,500
Value of options exercised	-	67,984	-	-	-	(1,252,381)	(67,984)	-	-
Options expired	-	-	-	-	-	(1,483,192)	-	-	-
Net loss for the period	-	-	-	-	-	-	-	(439,011)	(439,011)
Balance 31 December 2016	39,615,234	$ 8,644,242	$ -	8,914,228	$ 82,203	2,980,000	$ 968,498	$ (9,156,058)	$ 538,885
Shares for services	173,085	24,154	63,000	-	-	-	-	-	87,154
Private placement issuance	8,839,556	1,591,120	-	4,419,778	-	-	-	-	1,591,120
Issuance of agents warrants	-	(51,000)	-	569,139	51,000	-	-	-	-
Share issuance costs	-	(118,096)	-	-	-	-	-	-	(118,096)
Share-based payments	-	-	-	-		1,550,000	224,000	-	224,000
Net loss for the period	-	-	-	-	-	-	-	(292,335)	(292,335)
Balance 31 March 2017	48,627,875	$ 10,090,420	$ 63,000	13,903,145	$ 133,203	4,530,000	$ 1,192,498	$ (9,448,393)	$ 2,030,728

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 March 2017		Year ended 31 March 2016
OPERATING ACTIVITIES				
Loss for the Year	$	(1,424,375)	$	(1,619,633)
Items not Affecting Cash				
Depreciation		4,423		3,717
Shares for services		87,154		-
Share-based payments		446,804		23,894
Write-off of other assets		-		28,929
		(885,994)		(1,563,093)
Net Change in Non-cash Working Capital				
Amounts receivable		19,896		68,004
Prepaid expenses		13,200		(32,590)
Inventory		114,463		(168,697)
Accounts payable and accrued liabilities		57,340		(120,626)
Deferred revenue		30,936		27,947
		235,835		(225,962)
		(650,159)		(1,789,055)
INVESTING ACTIVITIES				
Other assets		(36,188)		(56,875)
		(36,188)		(56,875)
FINANCING ACTIVITIES				
Proceeds from share issuances		2,501,895		1,884,250
Share issuance costs		(166,887)		(198,764)
		2,335,008		1,685,486
Net Increase (Decrease) in Cash and Cash Equivalents		1,648,661		(160,444)
Cash and cash equivalents position – beginning of year		356,299		516,743
Cash and Cash Equivalents Position – End of Year	$	2,004,960	$	356,299
Schedule of Non-cash Investing and Financing Transactions				
Cash received for interest	$	-	$	4,802
Supplemental Disclosure with Respect to Cash Flows:				
Costs included in accounts payable related to other assets	$	-	$	2,260
Costs transferred from other assets to patents	$	5,968	$	40,989
Warrants issued to agents	$	56,000	$	34,000
Cash and Cash Equivalents Consists of:				
Cash	$	2,004,960	$	256,299
Other Investments	$	-	$	100,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1) Nature of operations and going concern

Aurora Control Technologies Inc. ("ACT"), a company incorporated on 14 May 2009 under the Canada Business Corporations Act and extra-provincially in British Columbia on 24 May 2011, develops, manufactures and markets Production Measurement and Control systems ("PMC™") to the solar wafer, cell and panel manufacturing industry.

Pulse Capital Corp. was incorporated on 26 October 2006 under the Business Corporations Act of British Columbia as a capital pool company. On 3 November 2011, Pulse Capital Corporation completed its qualifying transaction ("QT") by acquiring ACT. On May 28, 2015, the consolidated entity announced a name change to Aurora Solar Technologies Inc. ("Company") to better reflect its business focus.

The address of the Company's corporate and administrative office and principal place of business is #223 – 980 West 1st Street, North Vancouver, BC, V7P 3N4.

These audited consolidated financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and the discharge of liabilities in the normal course of operations.

There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations.

The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

Rounded (000's)	**31 March 2017**	31 March 2016
Accumulated deficit	**$ (9,448,000)**	$ (8,024,000)

2) Basis of preparation – Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and 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

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of consolidated financial statements in accordance with IAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3) Summary of significant accounting policies

a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company and its subsidiary. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Aurora Solar Technologies (Canada) Inc.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition. The Company has no non-controlling interests.

b) Foreign currency

The Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of the Company and its subsidiary. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Both the parent and subsidiary use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the foreign currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing when the fair value was determined. Non-monetary items recorded at historical cost in a foreign currency are not retranslated at the end of the reporting period. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences and other changes in the carrying amount of the security. Translation differences are recognized in the income statement and other changes in carrying amount are recognized in equity.

Translation differences on financial assets, such as investments in equity securities, classified as available-for-sale are reported as part of the fair value gain or loss and are included in equity.

c) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Board of Directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

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 options are earned. 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.

For non-employees, share-based payment measurements are based on the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, the transaction is measured by referring to the fair value of the equity instruments granted. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

d) Deferred financing costs

Expenditures directly related to share issuances are recorded as a deferred financing cost until such time as the shares are issued. When the shares are issued, the deferred financing cost is recognized as a reduction of the net proceeds from the share issuance. If no shares are issued, these deferred financing costs are recognized as a component of comprehensive loss.

e) Financial instruments

All financial instruments must be recognized, initially, at fair value on the consolidated statement of financial position. The Company has classified each financial instrument into the following categories: “fair value through profit or loss,” “loans and receivables,” and “other liabilities.” Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on fair value through profit or loss instruments are recognized in earnings. The other categories of financial instruments are recognized at amortized cost using the effective interest method. The Company had made the following classifications:

Financial Asset or Liability	Category
Cash and cash equivalents	Available for sale
Amounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

f) Inventory

Materials inventories and work in progress items are stated at the lower of cost and replacement cost which is not in excess of net realizable value. Cost is determined using the weighted average cost method for parts inventories. The cost excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

g) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of comprehensive income except to the extent it relates to items recognized in equity.

Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.

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 year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are 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 if in the money and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

i) Comprehensive profit (loss)

Comprehensive profit (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 would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss is presented in the Consolidated Statements of Comprehensive Loss and the Consolidated Statements of Changes in Equity.

j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. Financial liabilities and equity

k) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

l) Share capital

Share capital issued for non-monetary consideration is recorded at an amount based on the quoted market value of the Company's shares at the time of issuance.

m) Intangible assets

The purchase cost of intangible assets is initially capitalized as an asset.

The cost of intangible assets which are determined to have an indefinite life is not amortized, but is tested for impairment on an annual basis, based on a comparison of the fair value of the intangible asset with its carrying amount. The carrying amount is adjusted for impairment as necessary and any excess of the carrying amount over the fair value of the intangible asset is charged to earnings in the current period.

The cost of intangible assets which are determined to have a finite useful life is amortized on a systematic basis over the estimated remaining useful life.

Product registration costs related to efforts by the Company to acquire legal protections for its proprietary products, such as trademarks and patents, are capitalized if the Company believes that obtaining the trademark or patent, and recovery of the costs from future related revenues is reasonably assured, otherwise the costs are expensed.

The amortization period is determined based on the anticipated duration of legal protection, an assessment of the period of time over which the Company may be able to generate revenues from the related product, and expected obsolescence. Current patents are amortized over 20 years.

n) Research and development costs

Research costs are expensed in the year incurred. Development costs include all expenditures considered directly attributable to efforts by the Company to develop, and bring to commercial production, a new product. Such amounts are charged as an expense in the period incurred except in circumstances where the product or process is clearly defined and the costs attributable thereto can be identified, the technical feasibility has been established, management has indicated its intention to produce and market the product, the future market is clearly defined, adequate resources are available, and recovery of development costs can reasonably be regarded as assured, in which case such costs are capitalized.

o) Impairment of long-lived assets

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

p) Government assistance

Government grants are recognized when the Company has established entitlement to the related funds and there is reasonable assurance that the Company has complied with the conditions of the grant. Such grants are accounted for as reduction of the related expense.

q) Revenue recognition

Revenues from product sales are recognized as revenue upon delivery of the product and transfer of title to the customer provided the price is fixed and determinable and collection is reasonably assured. Revenue from product sales is recognized net of reserves for estimated sales discounts and allowances, returns, rebates and charge backs.

4) Critical accounting judgements and estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements.

a) Critical judgements in applying accounting policies

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

b) Key sources of estimation uncertainty

Inventory

The Company's raw inventory is only valuable to the extent that it can be turned into saleable product. Sales acquired at a level above their cost, volume of sales necessary to use inventory and other factors are all an estimate of the Company.

Share based payments

The Company records the fair market value as described by the Black-Sholes method for the recording of share based payments. There are several estimates that form a part of the calculation and significant deviations in any estimate would have a material impact on the financial statements.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Useful life of patents

The Company reviews the estimated lives of its patents at the end of each reporting period. There were no material changes in the lives of the patents for the reported periods.

5) Accounting standards issued but not yet effective

The following accounting standards have been issued by the International Accounting Standards Board ("IASB") but are not yet effective for the Company; both the effective date and the expected impact are noted, based on the information currently available.

a) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, *Financial Instruments* (IFRS 9). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 9. The extent of the impact of adoption of IFRS 9 has not yet been determined.

b) IFRS 15, Revenues from Contracts with Customers

On 28 May 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, and IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The extent of the impact of adoption of IFRS 15 has not yet been determined.

6) Financial instruments and risk management

a) Financial instrument classification and measurement

The fair value of the Company's cash and cash equivalents is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. As at 31 March 2017, the carrying value of cash and cash equivalents is fair value. The remaining financial instruments approximate their fair value due to their short term nature.

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 March 2017 due to the immediate or short-term maturities of the financial instruments.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its bank accounts. The Company's accounts are held with major banks in Canada and amounts receivable are due from the Government of Canada. The Company is not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going expenditures. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% shift in exchange would not be material. As at 31 March 2017 the Company held currency totalling the following:

Rounded (000's)		**Impact**		**31 March 2017**		31 March 2016
Canadian dollars	**5% $**	**-**	**$**	**1,548,706**	$	202,000
United States dollars	**5% $**	**22,817**	**$USD**	**342,555**	$	154,000
Amounts payable in United States dollars	**5% $**	**5,321**	**$USD**	**79,888**	$	17,000

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves in order to meet its liquidity requirements at any point in time.

7) Amounts receivable

Amounts receivable were all due from governmental sources and do not have collection risk. They consist of:

		31 March 2017		31 March 2016
GST receivable	**$**	**16,042**	$	35,938

8) Prepaid expenses

Prepaid amounts have accumulated with trade vendors over the normal course of business. They consist of:

	31 March 2017	31 March 2016
Trade vendors and strategic consultants	**$ 22,804**	$ 36,004

9) Inventory

Inventory consists of:

	31 March 2017	31 March 2016
Raw materials	**$ 104,306**	$ 224,670
Work in progress	**5,901**	-
Total inventory	**$ 110,207**	$ 224,670

10) Equipment

	Equipment
COST	
Balance at 31 March 2017, 2016 and 2015	**$ 51,781**
DEPRECIATION	
Balance at 1 April 2015	$ 48,947
Depreciation for the year	2,834
Balance at 31 March 2016	$ 51,781
Balance at 1 April 2016	**$ 51,781**
Depreciation for the year	**-**
Balance at 31 March 2017	**$ 51,781**
CARRYING AMOUNTS	
At 31 March 2016	$ -
At 31 March 2017	**$ -**

11) Patents and other assets

	Patents	Other assets	Total
COST			
Balance at 1 April 2015	$ 52,837	$ 46,760	$ 99,597
Additions for the year	40,989	63,271	104,260
Transfers to patents for the year	-	(40,989)	(40,989)
Write off of other assets	-	(28,929)	(28,929)
Balance at 31 March 2016	$ 93,826	$ 40,113	$ 133,939
Balance at 1 April 2016	**$ 93,826**	**$ 40,113**	**$ 133,939**
Additions for the year	**5,968**	**38,448**	**44,416**
Transfers to patents for the year	**-**	**(5,968)**	**(5,968)**
Balance at 31 March 2017	**$ 99,794**	**$ 72,593**	**$ 172,387**
DEPRECIATION			
Balance at 1 April 2015	$ 29,892	$ -	$ 29,892
Depreciation for the year	883	-	883
Balance at 31 March 2016	$ **30,775**	$ -	$ 30,775
Balance at 1 April 2016	**$ 30,775**	**$ -**	**$ 30,775**
Depreciation for the year	**4,423**	**-**	**4,423**
Balance at 31 March 2017	**$ 35,198**	**$ -**	**$ 35,198**
CARRYING AMOUNTS			
At 1 April 2015	$ 22,945	$ 46,760	$ 69,705
At 31 March 2016	$ 63,051	$ 40,113	$ 103,164
At 31 March 2017	**$ 64,596**	**$ 72,593**	**$ 137,189**

Patents

Patents are stated, in the statement of financial position, at cost less accumulated depreciation and accumulated impairment losses. The cost of patents include directly attributed incremental costs incurred in their acquisition.

Depreciation is charged so as to write off the cost of the asset using the straight line method over the estimate useful lives as follows:

Patents	20 years

Other assets

Other assets represent the cumulative legal fees incurred by the Company on patent application processes that are currently ongoing. The Company’s management believes that these applications will lead to the issuance of a legal patent, and therefore has capitalized the costs associated with this process. Once a particular patent application process completes, the costs associated with the newly issued patent will be reclassified to intangible assets and amortized over its useful life.

12) Share capital

a) Authorized

Unlimited common shares without par value.

b) Issued or allotted and fully paid

<u>During the year ended 31 March 2017</u>

On 31 March 2017 the Company closed a non-brokered private placement of 8,839,556 units ("Units") at a price of $0.18 per Unit for gross proceeds of $1,591,120. Each Unit consists of one common share (a "Share") and one half share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one additional Share (a "Warrant Share") for a period of 24 months at a price of $0.30 per Warrant Share. The Warrants are subject to acceleration, at the option of the Issuer, in the event the trading price, on the Exchange, of the common shares of the Issuer closes at or above CDN$0.40 per common share for 10 consecutive trading days at any time after four months from closing date.

The Company paid fees of $118,096 including finder's fee consisting of $102,445 and 569,139 warrants valued at $51,000 with each warrant entitling the holder to purchase one Share for a period of 24 months at a price of $0.30 per Share.

On 31 March 2017, the Company issued 1,550,000 options to employees and directors of the Company exercisable at $0.21 for a period of five years.

On 19 December 2016 the Company agreed to issue 173,085 common shares to management for services totalling $24,154.

On 12 October 2016 the Company issued 300,000 common shares on exercise of options at an average exercise price of $0.115 per share.

On 7 November 2016 the Company issued 952,381 common shares on exercise of options at an average exercise price of $0.105.

On 08 July 2016 the Company closed a non-brokered private place of 5,175,167 units (“Units”) at a price of $0.15 per unit for gross proceeds of $776,275. Each Unit consists of one common share (a “Share”) and one common share purchase warrant (a “Warrant”), with each Warrant entitling the holder to purchase one additional Share (a “Warrant Share”) for a period of 24 months at a price of $0.25 per warrant share.

In connection with the private placement the Company paid fees of $48,791 including 7% cash finder’s fees of $33,269 and issued finders warrants of 221,795, valued at $5,000, entitling the holder to purchase one Share for a period of 24 months at a price of $0.25 per Warrant.

<u>During the year ended 31 March 2016</u>

On 26 June 2015 the Company closed a brokered private placement of 6,280,833 Units at a price of $0.30 per Unit for gross proceeds of $1,884,250. Each Unit consists of a Share and one half Warrant. The holders are entitled to purchase one Warrant Share for a period of 36 months at a price of $0.45 per Warrant Share, subject to accelerated expiry in certain circumstances.

c) Summary of stock option activity

The Company has adopted a stock option plan ("the Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferrable options to purchase common shares exercisable under the Plan for a period of up to 5 years from the date of grant. Vesting terms are determined by the Board of Directors for each grant of options. The aggregate number of common shares issuable under the Plan must not exceed 7,672,570 common shares of the Company at any time.

Stock option transactions and the number of stock options outstanding are summarized below:

STOCK OPTION ACTIVITY	**31 March 2017**		**Weighted average exercise price**	31 March 2016		Weighted average exercise price
Balance – beginning of year	**3,368,192**	**$**	**0.33**	3,398,192	$	0.34
Granted	**4,627,381**		**0.14**	150,000		0.30
Exercised	**(1,252,381)**		**0.11**	-		-
Expired	**(2,213,192)**		**0.33**	(180,000)		0.36
Balance – end of year	**4,530,000**	**$**	**0.20**	3,368,192	$	0.33

Details of stock options outstanding as at 31 March 2017 are as follows:

Expiry Date	Options vested and exercisable		Exercise price	**31 March 2017**	31 March 2016
3 November 2016	-	$	0.30	**-**	1,028,192
5 December 2016	-	$	0.35	**-**	105,000
31 January 2017	-	$	0.31	**-**	350,000
12 September 2017	250,000	$	0.32	**250,000**	250,000
16 April 2018	265,000	$	0.32	**265,000**	265,000
10 September 2018	50,000	$	0.36	**50,000**	50,000
11 February 2019	390,000	$	0.37	**390,000**	390,000
4 June 2019	-	$	0.38	**-**	450,000
15 September 2019	-	$	0.38	**-**	280,000
20 January 2020	25,000	$	0.23	**25,000**	25,000
24 February 2020	25,000	$	0.31	**25,000**	25,000
16 October 2020	150,000	$	0.30	**150,000**	150,000
7 October 2021	600,000	$	0.11	**600,000**	-
12 October 2021	1,225,000	$	0.11	**1,225,000**	-
31 March 2022	1,550,000	$	0.21	**1,550,000**	-
	4,530,000			**4,530,000**	3,368,192

The outstanding options have a weighted average exercise price of $0.20 (31 March 2016 - $0.33) and the weighted average remaining life of the options is 3.95 years (31 March 2016 – 1.90 years). The vested and exercisable options as at 31 March 2017 have a weighted average exercise price of $0.20 (31 March 2016 - $0.33).

d) Warrants

Warrant activity during the period is summarized as follows:

WARRANT ACTIVITY	31 March 2017(i)		Weighted Average exercise price	31 March 2016(i)		Weighted Average exercise price
Balance – beginning of year	**3,517,266**	**$**	**0.43**	3,632,050	$	0.50
Issued	**9,594,945**		**0.27**	3,140,416		0.45
Agent's warrants issued(ii)	**790,934**		**0.29**	376,850		0.30
Warrants expired	**-**		**-**	(3,632,050)		0.50
Balance – end of year	**13,903,145**	**$**	**0.31**	3,517,266	$	0.43

(i) The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise of the warrants.
(ii) During the period ended 31 March 2017, the Company issued 790,933 agent's warrants (31 March 2016 – 376,850) with a fair value of $56,000 (31 March 2016 – $34,000).

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted during the period:

	31 March 2017	31 March 2016
Risk free interest rate	**0.82%**	0.60%
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**87%**	54%
Expected life in years	**2.00**	2.00

The Company uses its historical price volatility and the volatility used by companies with comparable operations as the basis for determining the expected volatility used in its Black-Scholes calculations. The weighted average fair value of agents warrants granted in the period was $0.07 per share (31 March 2016 - $0.09 per share).

Details of warrants outstanding as at 31 March 2017 are as follows:

Issued	Expiry		Exercise Price	31 March 2017	31 March 2016
26 June 2015	26 June 2018	$	0.45	**3,140,416**	3,140,416
26 June 2015	26 June 2017(i)(ii)	$	0.30	**376,850**	376,850
8 July 2016	8 July 2018	$	0.25	**5,175,167**	-
8 July 2016	8 July 2018(i)	$	0.25	**221,795**	-
31 March 2017	30 March 2019	$	0.30	**4,419,778**	-
31 March 2017	30 March 2019(i)	$	0.30	**569,139**	-
				13,903,145	3,517,266

(i) Agent's warrants.
(ii) Expired subsequent to year end.

e) Share-based payments

The Company recognizes share-based payments for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rates and expected life of the options.

During the year ended 31 March 2017, the Company recognized $446,804 (31 March 2016 - $23,894) in share-based payments on granted options and options vesting over time. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	31 March 2017	31 March 2016
Risk free interest rate	**0.74%**	0.82%
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**97%**	49%
Expected life in years	**4.49**	5.00

The weighted average fair value of stock options granted in the year was $0.07 per share (31 March 2016 - $0.11 per share).

13) Capital management

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, in order to support the development of the company's measurement technology. The Company includes components of equity in its managed capital. 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. Additional funds may be required to finance investments of the Company.

Management reviews its capital management approach on an ongoing basis and believe that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management for the period ended 31 March 2017.

14) Related party transactions

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Related party transactions and balances not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period[i]		Remuneration or fees[ii]		Included in Accounts Payable
CEO – management fees[iii]	**2017**	**$**	**163,000**	**$**	**1,000**
	2016	$	60,000	$	-
Associate counsel – legal services	**2017**	**$**	**54,000**	**$**	**11,000**
	2016	$	84,000	$	1,600
Clearline CPA, a company of which the CFO is a director – management fees	**2017**	**$**	**60,000**	**$**	**5,000**
	2016	$	76,000	$	8,000
A company of which the CFO is a director – bookkeeping services	**2017**	**$**	**39,000**	**$**	**-**
	2016	$	38,000	$	-
COO – management fees[iv]	**2017**	**$**	**129,000**	**$**	**-**
	2016	$	140,000	$	-
Director	**2017**	**$**	**31,000**		**-**
	2016	$	-	**$**	
Director	**2017**	**$**	**14,000**	**$**	-
	2016	$	-	$	**-**

(i) For the year ended 31 March 2017 (fiscal 2017) and 31 March 2016 (fiscal 2016).
(ii) Amounts disclosed were paid or accrued to the related party.
(iii) Included in remuneration are shares issued in lieu of salary with a fair value of $53,000
(iv) Included in remuneration are shares issued in lieu of salary with a fair value of $24,000

Share-based payments awarded to directors and officers during the year ended 31 March 2017 totalled $285,175 (31 March 2016 - $558).

15) Segmented disclosure

The Company operates in one reportable operating segment, being the development, manufacturing and marketing of Production Measurement and Control systems ("PMC™") for the solar wafer, cell and panel manufacturing industry. All assets are held in Canada.

The Company is exposed to significant sales concentration. For the year ended 31 March 2017, two customers domiciled in South Korea accounted for 90% of revenues and one customer domiciled in France accounting for the remaining 10% (during 2016 two customers accounted for 100% of revenues).

16) Commitment

On 7 March 2017, the Company signed a lease for its head office for a three year period for a total remaining contractual obligation of $146,000 evenly over three years.

17) Income taxes

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		31 March 2017		31 March 2016
Earnings (loss) for the year	**$**	**(1,424,375)**	**$**	(1,619,633)
Expected income tax recovery	**$**	**(370,000)**	**$**	(421,000)
Change in statutory rate, foreign tax, foreign exchange rates and other		**(94,000)**		(21,000)
Permanent differences		**59,000**		6,000
Share issuance costs		**(43,000)**		(31,000)
Change in unrecognized deductible temporary differences		**448,000**		467,000
Total income tax expense (recovery)	**$**	**-**	**$**	-

The Canadian income tax rate changed during the year due to changes in the law that impacted tax rates in British Columbia and Canada.

The significant components of the Company's temporary differences, unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		31 March 2017	**Expiry date range**		31 March 2016	Expiry date range
Temporary differences						
Investment tax credit	**$**	**255,000**	**2017-2036**	$	223,000	2030 – 2033
Property and equipment	**$**	**19,000**	**No expiry date**	$	19,000	No expiry date
Canadian eligible capital (CEC)	**$**	**34,000**	**No expiry date**	$	34,000	No expiry date
Share issuance costs	**$**	**342,000**	**2017 – 2041**	$	139,000	2034 – 2037
Non - capital losses available for future period	**$**	**9,059,000**	**2017 – 2037**	$	7,546,000	2016 – 2035

Tax attributes are subject to review and potential adjustments by tax authorities.

18) Subsequent events

On 16 June 2017, the Company closed a non-brokered private placement of 3,028,666 units ("Units") at a price of $0.18 per Unit for gross proceeds of $545,160. Each Unit consists of one common share (a "Share") and one half share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one additional Share (a "Warrant Share") for a period of 24 months at a price of $0.30 per Warrant Share. The Warrants are subject to acceleration, at the option of the Issuer, in the event the trading price, on the Exchange, of the common shares of the Issuer closes at or above CDN$0.40 per common share for 10 consecutive trading days at any time after four months from closing date. The Company paid a finder's fee consisting of $36,371.99 and 202,066 warrants with each warrant entitling the holder to purchase one Share for a period of 24 months at a price of $0.30 per Share.

On 30 June 2017, the Company entered into an investor relations agreement (the "Agreement") with Paradox Public Relations Inc. ("Paradox"), pursuant to which Paradox shall provide investor relations services to the Company. The Agreement is based on $7,000 per month for the 24-month term of the Agreement, with the right to cancel the Agreement after the first 6 months of service by providing 30 days written notice. The Company will also issue Paradox, subject to TSX-V approval, 300,000 options at the 30 June 2017 closing price.

On 20 April 2017, the Company issued 300,000 common shares for services rendered.

On 31 March 2017, the Company agreed to issue 300,000 shares in lieu of accrued salary to employees of the Company of $63,000.