BRS VENTURES LTD.

Financial Statements

(Expressed in Canadian Dollars)
Years ended October 31, 2015 and 2014

WOLRIGE MAHON

Auditor's Report

To the Shareholders of BRS Ventures Ltd.

We have audited the accompanying financial statements of BRS Ventures Ltd., which comprise the statements of financial position as at October 31, 2015 and 2014, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BRS Ventures Ltd. as at October 31, 2015 and 2014, 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 2 in the financial statements which describes the uncertainty as to whether or not BRS Ventures Ltd. will complete a Qualifying Transaction as defined by TSX Venture Exchange Policy 2.4. These conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty that may cast significant doubt about BRS Ventures Ltd.'s ability to continue as a going concern.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

February 18, 2016
Vancouver, B.C.

BRS Ventures Ltd.

Statements of Financial Position

Expressed in Canadian dollars

	Note	**October 31 2015**	October 31 2014
		$	$
Assets			
Current			
Cash		**31,253**	70,658
Prepaid assets		**875**	1,750
		32,128	72,408
Liabilities			
Current			
Accounts payable and accrued liabilities	**6,11**	**14,861**	31,668
Shareholders' Equity			
Share capital	**7**	**988,145**	988,145
Contributed surplus		**92,150**	92,150
Deficit		**(1,063,028)**	(1,039,555)
		17,267	40,740
		32,128	72,408

Going Concern – note 2

APPROVED BY THE DIRECTORS

"Luke Norman" Director *"Robert McMorran"* Director

BRS Ventures Ltd.
Statements of Loss and Comprehensive Loss
Years ended October 31
Expressed in Canadian dollars

	Note	2015	2014
		$	$
Expenses			
Accounting and audit	11	19,806	31,273
Legal		704	5,497
Listing		11,890	13,996
GST / HST payments	6	(9,144)	11,000
Office and miscellaneous		217	460
Net loss and comprehensive loss for the year		**(23,473)**	(62,226)
Loss per share			
Basic and diluted		**(0.00)**	(0.00)
Weighted average number of shares outstanding			
Basic and diluted		**12,941,659**	12,941,659

The accompanying notes are an integral part of these financial statements

BRS Ventures Ltd.
Statements of Cash Flows
Years ended October 31
Expressed in Canadian dollars

	2015	2014
	$	$
Cash (used in) provided by:		
Operating activities		
Net loss for the year	**(23,473)**	(62,226)
Changes in non-cash working capital items		
Prepaid assets	**875**	(917)
Accounts payable and accrued liabilities	**(16,807)**	14,836
Decrease in cash	**(39,405)**	(48,307)
Cash - beginning of year	**70,658**	118,965
Cash - end of year	**31,253**	70,658

The accompanying notes are an integral part of these financial statements

BRS Ventures Ltd

Statements of Changes in Shareholders' Equity
Years ended October 31
Expressed in Canadian dollars

	Share capital	Share capital	Contributed surplus	Deficit	Total
	number	$	$	$	$
Balance, October 31, 2013	**12,941,659**	**988,145**	**92,150**	**(977,329)**	**102,966**
Net loss	-	-	-	(62,226)	(62,226)
Balance, October 31, 2014	**12,941,659**	**988,145**	**92,150**	**(1,039,555)**	**40,740**
Net loss	-	-	-	(23,473)	(23,473)
Balance, October 31, 2015	**12,941,659**	**988,145**	**92,150**	**(1,063,028)**	**17,267**

The accompanying notes are an integral part of these financial statements

1. Organization, nature and continuation of operations

BRS Ventures Ltd. (the "Company" or "BRS") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007 and was classified as a capital pool company ("CPC") as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). Under Policy 2.4, as a CPC, the Company was required to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. To date, the Company has not completed a QT. Accordingly it is currently trading on the NEX board of the TSX Venture Exchange (the "Exchange") under the trading symbol "BRV.H".

The address of the Company's registered office and its principal place of business is Suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

2. Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. For the year ended October 31, 2015, the Company incurred operating losses in the amount of $23,473, had accumulated losses of $1,063,028, had working capital of $17,267 and had not completed a Qualifying Transaction. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that the required additional financing to complete a Qualifying Transaction can be secured. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

3. Basis of preparation

Statement of compliance and functional currency
These financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements have been prepared on an accrual basis, under the historical cost convention except for financial assets and liabilities which have been measured at fair value. These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

These financial statements were approved by the board of directors on February 18, 2016.

Use of estimates and judgments
In accordance with IFRS, 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, judgments 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, judgment or assumption is made. Actual results may differ significantly from these estimates.

Estimates, judgments and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate, judgment or underlying assumption is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgment and estimate include:

Going concern
These statements have been prepared under the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management in making a going-concern assessment are disclosed in note 2.

4. Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are as follows:

Financial assets
All financial assets are initially recorded at fair value and upon initial recognition are either designated as fair value through profit or loss ("FVTPL") or classified into one of the following three categories: held-to-maturity, available-for-sale, or loans and receivables.

Financial assets are designated as FVTPL to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Financial assets designated as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. Such losses are recorded in the statement of loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset and amortized to income or loss as part of the application of the effective interest method.

Financial liabilities
All financial liabilities are initially recorded at fair value and upon initial recognition are either designated as FVTPL or classified as other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities designated as FVTPL include financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities designated as FVTPL are expensed as incurred. Fair value changes on financial liabilities designated as FVTPL are recognized through income and loss.

De-recognition of financial assets and liabilities
Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Share capital
Costs incurred to issue shares are deferred until the shares are issued, at which time these costs are charged to share capital.

Share-based payments
Common shares issued for non-monetary consideration are recorded at the fair value of the goods or services received. When the value of goods or services received in exchange for share-based payments cannot be reliably estimated, the value is measured by reference to the trading price of the Company's shares on the TSX Venture Exchange ("the Exchange") on the date of the agreement to issue the shares. If market prices are not available, fair value is measured by use of a valuation model.

The Company has a stock option plan (Note 7(b)), whereby stock options are granted in accordance with the policies of regulatory authorities. The Company records a compensation cost attributable to all share purchase options granted at fair value at the grant date using the Black-Scholes valuation model and the fair value of all share purchase options are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

Income taxes
Income taxes comprises both current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity.

Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. No potential income tax assets of the Company have been recognized.

Loss per share
Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Basic and diluted loss per share are the same for the years presented. The Company uses the treasury stock method of calculating fully diluted loss per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

5. Accounting standards issued but not yet effective

IFRS 9 – Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of determining the impact of IFRS 9 on its financial statements.

6. GST / HST payments not recovered

During the year ended October 31, 2014, CRA advised the Company that it had re-assessed GST Input Tax Credits refunded related to the 2009 and 2010 fiscal years and determined that the Company was not eligible to recover these GST Input Tax Credits. During the year ended October 31, 2014, the Company had recorded an accrued liability of $11,000 of GST / HST Input Tax Credits refunded related to this matter pending final resolution with CRA.

Subsequent to October 31, 2015, the CRA notified the Company that $9,144 of GST / HST Input Tax Credits for the 2009 and 2010 fiscal years were eligible to be recovered. The Company has recorded the reduction to the accrued liability as at October 31, 2015.

The company currently reports all GST amounts to the appropriate expense classification on the Statement of Loss.

7. Share capital

a) Authorized: Unlimited common shares without par value.

b) Options:
The Company has established a stock option plan in accordance with the policies of the Exchange pursuant to which the Company is authorized to grant share purchase options up to 10% of its outstanding shares. The exercise price of options granted equals the market price of the Company's stock on the date of the grant. The options are for a maximum term of five years.

As at October 31, 2015 and October 31, 2014 there were no stock options outstanding.

c) Escrow shares:
Pursuant to the regulatory requirements as at October 31, 2015 and October 31, 2014, 724,997 issued and outstanding common shares were held in escrow. The shares will be released as to 10% on the completion of the Company's Qualifying Transaction and the remainder will be released in 6 equal tranches of 15% each every 6 months thereafter.

Expressed in Canadian Dollars

8. Income taxes

The tax expense differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

	2015	2014
	$	$
Loss for the period before income tax recovery	(23,473)	(62,226)
Average statutory rate	26.00%	26.00%
Recovery of income taxes based on statutory rates	6,103	16,180
Increase (decrease) in income tax recovery resulting from:		
Share issue cost adjustment	(2,897)	-
Change in non-recognized deferred tax assets	9,000	(16,180)
Income tax recovery	-	-

The company has deferred tax assets which have not been recognized on the Statement of Financial Position as follows:

	2015	2014
	$	$
Deferred tax assets		
Share issue costs	3,000	5,000
Losses carried forward	275,000	264,000
Total deferred tax assets	278,000	269,000

Deferred income tax assets are only recognized to the extent that the realization of tax loss carry-forwards is determined to be probable. As at October 31, 2015, the Company has not recognized any income tax assets.

For income tax purposes, as at October 31, 2015, the Company had $1,057,000 (2014 - $1,024,000) of Canadian federal net operating losses carry-forward of which expire as follows:

Year	$
2028	90,000
2029	309,000
2030	331,000
2031	72,000
2032	79,000
2033	71,000
2034	72,000
2035	33,000
	1,057,000

9. Financial instruments

Classification of Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company classified its cash as loans and receivables. The accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Discussions of risks associated with financial assets and liabilities are detailed below:

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. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with highly rated banking institutions.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a cash loss is limited as the Company's liabilities are non-interest bearing.

Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. Accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand, and are subject to normal trade terms. The Company has working capital of $17,267 as at October 31, 2015 which is not sufficient to cover operations for at least the next twelve months.

10. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue a qualifying transaction and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements.

The Company does not have a source of revenue. As such, the Company is dependent on external financing to pursue a qualifying transaction and fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. There were no changes in the Company's approach to capital management during the year ended October 31, 2015

Expressed in Canadian Dollars

11. Key management compensation and related parties

Key management includes officers and directors (executive and non-executive) of the Company. There was no compensation paid or payable to key management during the years ended October 31, 2015 and 2014.

During the years ended October 31, 2015 and 2014, the Company entered into transactions with directors and officers of the Company and/or companies they control as follows:

	2015	2014
	$	$
Accounting and audit	**8,781**	12,573

As at October 31, 2015, directors, officers or their related companies were owed $229 (October 31, 2014 - $6,915) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.