BRS VENTURES LTD.

FINANCIAL STATEMENTS
Years ended October 31, 2014 and 2013
(Expressed in Canadian dollars)

WOLRIGE MAHON
CHARTERED ACCOUNTANTS

Auditors 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, 2014 and 2013, 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, 2014 and 2013, 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 ACCOUNTANTS

February 17, 2015
Vancouver, B.C.

BRS Ventures Ltd.

Statements of Financial Position

Expressed in Canadian dollars

	Note	**October 31 2014**	October 31 2013
		$	$
Assets			
Current			
Cash		**70,658**	118,965
Prepaid assets		**1,750**	833
		72,408	119,798
Liabilities			
Current			
Accounts payable and accrued liabilities	**11**	**31,668**	16,832
Shareholders' Equity			
Share capital	**7**	**988,145**	988,145
Contributed surplus		**92,150**	92,150
Deficit		**(1,039,555)**	(977,329)
		40,740	102,966
		72,408	119,798

Going Concern – note 2

APPROVED BY THE DIRECTORS

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

The accompanying notes are an integral part of these financial statements

BRS Ventures Ltd.

Statements of Loss and Comprehensive Loss
Years ended October 31

Expressed in Canadian dollars

	Note	2014	2013
		$	**$**
Expenses			
Accounting and audit	**11**	**31,273**	24,011
Legal		**5,497**	6,347
Listing		**13,996**	14,806
GST / HST payments	**6**	**11,000**	14,835
Office and miscellaneous		**460**	297
Net loss before following items		**(62,226)**	(60,296)
Gain on forgiveness of debt		**-**	11,813
Net loss and comprehensive loss for the year		**(62,226)**	(48,483)
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

	2014	2013
	$	$
Cash (used in) provided by:		
Operating activities		
Net loss for the year	**(62,226)**	(48,483)
Items not affecting cash		
Gain on forgiveness of debt	**-**	(11,813)
GST / HST payments not recovered	**-**	14,835
	(62,226)	(45,461)
Changes in non-cash working capital items		
GST / HST recoverable	**-**	(1,950)
Prepaid assets	**(917)**	-
Accounts payable and accrued liabilities	**14,836**	(69)
Decrease in cash	**(48,307)**	(47,480)
Cash - beginning of year	**118,965**	166,445
Cash - end of year	**70,658**	118,965

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, 2012	**12,941,659**	**988,145**	**92,150**	**(928,846)**	**151,449**
Net loss	-	-	-	(48,483)	(48,483)
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**

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, 2014, the Company incurred operating losses in the amount of $62,226, had accumulated losses of $1,039,555, had working capital of $40,740 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 a material uncertainty 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 as set out in the relevant accounting policies below. 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 16, 2015.

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 classified upon inception into one of the following three categories: held-to-maturity, available-for-sale, loans and receivables or designated at fair value through profit or loss ("FVTPL").

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 designated upon inception 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
Common shares issued for non-monetary consideration are recorded at their fair value based initially upon 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 or, for subsequent issues, the date of share issuance.

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
When the value of goods or services received in exchange for share-based payments cannot be reliably estimated, the 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.

For the years ended October 31, 2014 and 2013, potentially dilutive common shares issuable were not included in the computation of loss per share because their effect was anti-dilutive.

5. Accounting standards

a) New standards and amendments effective for the first time from November 1, 2013

The following revised standards and amendments became effective on November 1, 2013. The new and amended standards did not have a significant impact on the financial statements. The following is a brief summary of the principal new standards:

IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces *SIC-12, Consolidation - Special Purpose Entities* and parts of IAS 27, *Consolidated and Separate Financial Statements*.

IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosures that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

b) 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 – to replace IAS 39 – Financial Instruments: Recognition and Measurement. The standard is effective for 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.

IFRS 2, Share-based Payment
In December 2013, the IASB amended IFRS 2 – Share-based Payment. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendment is effective on a prospective basis for share-based payment transactions for which the grant date is on or after July 1, 2014. There were no share based transactions between the period July 1, 2014 and October 31, 2014. The Company will assess the impact of the amendment on any subsequent share-based transactions.

Expressed in Canadian Dollars

6. GST / HST payments not recovered

During the year ended October 31, 2013, Canada Revenue Agency ("CRA") advised the Company that it is not eligible to recover GST Input Tax Credits until such time as it is engaged to complete a QT and accordingly the Company expensed $14,835 of unrecoverable GST claims related to the fiscal years ended October 31, 2011 through to October 31, 2013. During the year ended October 31, 2014, the Company expensed all GST amounts to their appropriate expense classification on the Statement of Loss.

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. The Company is disputing this finding with the CRA. As at October 31, 2014 the Company recorded an accrued liability of $11,000 of GST / HST Input Tax Credits refunded related to this matter pending final resolution with CRA.

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, 2014 and 2013 there were no stock options outstanding.

c) Escrow shares:

Pursuant to the regulatory requirements as at October 31, 2014 and October 31, 2013, 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.

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:

	2014	2013
	$	$
Loss for the period before income tax recovery	**(62,226)**	(48,483)
Average statutory rate	**26.00%**	25.58%
Recovery of income taxes based on statutory rates	**16,180**	12,404
Increase (decrease) in income tax recovery resulting from:		
Effect of change in tax rate	**-**	9,596
Change in non-recognized deferred tax assets	**(16,180)**	(22,000)
Income tax recovery	**-**	-

Expressed in Canadian Dollars

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

	2014	2013
	$	$
Deferred tax assets		
Losses carried forward	**264,000**	248,000

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, 2014, the Company has not recognized any income tax assets.

For income tax purposes, as at October 31, 2014, the Company had $1,014,000 (2013 - $952,000) 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	62,000
	1,014,000

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 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 $40,740 as at October 31, 2014 which is not sufficient to cover operations for at least the next twelve months.

Expressed in Canadian Dollars

10. Management of capital

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and investment balances to cover operating costs over a reasonable future period, generally one to one and a half years. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise.

Excess cash investments are restricted to bankers' acceptances of major Canadian banks or instruments of equivalent or better quality. The Company currently has no externally-imposed capital requirements.

11. Key management compensation and related parties

The retention of certain key management personnel is not subject to any management agreements.

Some key management personnel, or their related parties, may hold positions in other entities whose services are retained by the Company. In such instances, these appointments result in the Company's key management personnel representing those related parties in which they hold control or significant influence over the financial or operating policies of these entities.

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, 2014 and 2013.

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

	2014	2013
	$	$
Accounting and audit	**12,573**	1,711

As at October 31, 2014, directors, officers or their related companies were owed $6,915 (October 31, 2013 - $602) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.