



Calyx Bio-Ventures Inc.

Condensed Interim Consolidated Financial Statements

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

**For the three months ended
March 31, 2017 and 2016**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The attached condensed interim consolidated financial statements for the three month period ended March 31, 2017 and 2016 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

CALYX BIO-VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)
As at

	March 31, 2017	December 31, 2016
ASSETS		
Current		
Cash	\$ 118,635	\$ 188,657
Receivables (Note 5)	20,596	19,388
Prepaid expenses and deposits	62,730	47,646
	201,961	255,691
Non-current assets		
Equipment (Note 7)	28,104	12,436
Intangible assets (Note 6)	575,565	609,239
Total Assets	\$ 805,630	\$ 877,366
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 47,078	\$ 44,623
Promissory note (Note 6)	143,741	141,302
	190,819	185,925
Non-current liabilities		
Unearned revenue	5,500	5,500
Total Liabilities	196,319	191,425
Shareholders' Equity		
Capital stock (Note 8)	7,680,624	7,680,624
Subscriptions received (Note 8)	70,000	-
Reserves (Note 8)	2,570,076	2,570,076
Deficit	(9,711,389)	(9,564,759)
	609,311	685,941
Total Liabilities and Shareholders' Equity	\$ 805,630	\$ 877,366

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 12)

Approved and authorized for issue by the Board of Directors

"Roger Forde" Director
Roger Forde

"Gavin McMillan" Director
Gavin McMillan

CALYX BIO-VENTURES INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – Expressed in Canadian Dollars)

	Three months Mar 31, 2017	Three months Mar 31, 2016
REVENUE	\$ 15,900	\$ 24,940
COST OF SALES	(9,750)	-
GROSS PROFIT	6,150	24,940
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Depreciation (Note 7)	1,020	1,994
Depreciation of intangible assets (Note 6)	33,674	33,674
Development expenses	23,145	-
Personnel costs	45,025	45,043
Professional and regulatory	9,166	433
Investor relations	6,330	-
Office and administrative	32,300	4,014
	(150,660)	(85,158)
OTHER INCOME (EXPENSES)		
Accretion	(2,439)	-
Foreign exchange gain	319	538
Net and comprehensive loss for the period	\$ (146,630)	\$ (59,680)
Basic and diluted loss per common share	\$ (0.002)	\$ (0.001)
Weighted average number of common shares outstanding	61,384,529	50,618,673

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

CALYX BIO-VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars)
THREE MONTHS ENDED MARCH 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (146,630)	\$ (59,680)
Items not affecting cash:		
Depreciation (Note 7)	1,020	1,994
Depreciation of intangible assets (Note 6)	33,674	33,674
Accretion	2,439	-
Changes in working capital items relating to operations:		
Receivables	(1,208)	397
Prepaid expenses and deposits	(15,084)	(2,016)
Accounts payable and accrued liabilities	2,455	23,252
Unearned revenue	-	(2,500)
Net cash flows used in operating activities	(123,334)	(4,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment (Note 7)	(16,688)	-
Net cash flows used in investing activities	(16,688)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions received (Note 8)	70,000	-
Net cash flows provided from financing activities	70,000	-
Change in cash during the period	(70,022)	(4,879)
Cash, beginning of period	188,657	7,583
Cash, end of period	\$ 118,635	\$ 2,704

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

CALYX BIO-VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in Canadian Dollars)

<u>Capital Stock</u>							
	Notes	Number	Amount	Subscriptions Received	Contributed Surplus	Deficit	Total
Balance as at December 31, 2015		50,618,673	6,832,163	-	2,325,193	(8,868,419)	288,937
Loss for the period		-	-	-	-	(59,680)	(59,680)
Balance as at March 31, 2016		50,618,673	6,832,163	-	2,325,193	(8,928,099)	229,257
Shares issued for cash	8	4,701,571	329,110	-	-	-	329,110
Share issuance cost	8	-	(5,178)	-	-	-	(5,178)
Shares issued for services rendered	8	1,014,285	71,000	-	-	-	71,000
Shares issued for intangible assets	6, 8	2,500,000	262,500	-	-	-	262,500
Shares issued from options exercised	8	2,550,000	191,029	-	(63,529)	-	127,500
Share-based compensation	8	-	-	-	308,412	-	308,412
Loss for the period		-	-	-	-	(636,660)	(636,660)
Balance as at December 31, 2016		61,384,529	7,680,624	-	2,570,076	(9,564,759)	685,941
Subscriptions received	8	-	-	70,000	-	-	70,000
Loss for the period		-	-	-	-	(146,630)	(146,630)
Balance as at March 31, 2017		61,384,529	\$ 7,680,624	\$ 70,000	\$ 2,570,076	\$ (9,711,389)	\$ 609,311

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

CALYX BIO-VENTURES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Calyx Bio-Ventures Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 10, 2008. The registered address of the Company is located at 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8. Through its wholly owned subsidiary, Cannigistics Agri-Solutions Corp. (“Cannigistics”), the Company is in the business of bringing technology solutions to advanced indoor agriculture.

Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$9,711,389. The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future.

These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material. The Company’s financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company’s requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

As at March 31, 2017, the Company had a working capital of \$11,142 (December 31, 2016 - \$69,766). There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent annual financial statements for the year ended December 31, 2016.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of May 30, 2017, the date the Board of Directors approved the statements. Certain of the comparative year figures have been reclassified to conform to the current year’s presentation. The condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements of the year ended December 31, 2016.

3. SIGNIFICANT STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 15 “Revenue from Contracts with Customers”

This new 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 judgement thresholds have been introduced, which may affect the amount and /or timing of revenue recognized. IFRS15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not yet determined the impact of the new standard on its financial statements.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company’s financial statements.

CALYX BIO-VENTURES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2017

4. FINANCIAL INSTRUMENTS**Recognition and Measurement**

The Company has made the following classifications for its financial instruments:

- a) Cash and receivables are classified as loans and receivables;
- b) Accounts payable are classified as other financial liabilities; and
- c) Promissory note is classified as other financial liabilities.

Management of Financial Risk

The Company, through its financial assets and liabilities, is exposed to various risks. The following is an analysis of risks as at March 31, 2017:

Financial Risk Management

The Board of Directors is responsible for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables and accounts payable.

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 primary exposure to credit risk is on its cash held in bank accounts and accounts and other amounts receivable. The cash consists of operating funds with two commercial banks. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company is exposed to foreign exchange risk on its cash and its obligations under accounts payable.

The Company has expenditures denominated in US dollars. Fluctuations in the value of the US dollar relative to the Canadian dollar are not expected to have a significant impact the Company's results from operations.

5. RECEIVABLES

	March 31, 2017	December 31, 2016
Trade receivables	\$ 2,940	\$ 2,135
GST receivable	17,656	17,253
	\$ 20,596	\$ 19,388

CALYX BIO-VENTURES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2017

6. INTANGIBLE ASSETS

As of March 31, 2017, the Company's intangible assets consist entirely of software. The Company's intangible assets are as follows:

	Software
Balance December 31, 2015	\$ 291,502
Addition	452,433
Depreciation	(134,696)
Balance December 31, 2016	609,239
Depreciation	(33,674)
Balance March 31, 2017	\$ 575,565

On November 10, 2016, the Company acquired the rights to software. In consideration for the acquisition, the Company issued 2,500,000 common shares valued at \$0.105 per share, paid \$50,000 cash, and issued a promissory note payable (the "Note") having a principal balance of \$150,000 payable on November 10, 2017. The Note does not bear any stated terms of interest and accordingly, the Company recorded its fair value to \$139,933 at inception. The resulting debt discount of \$10,067 is being accreted by way of a charge to the Company's statement of loss and comprehensive loss over the term of the Note using an effective interest rate of 7%. The total value of the software acquired was \$452,433. During the three months ended March 31, 2017, the Company recorded accretion expense of \$2,439 (March 31, 2016 - \$nil).

7. EQUIPMENT

The Company's equipment was as follows:

	Computer Equipment
Balance December 31, 2015	\$ 16,025
Depreciation for the period	(3,589)
Balance December 31, 2016	12,436
Additions	16,688
Depreciation for the period	(1,020)
Balance March 31, 2017	\$ 28,104

8. SHAREHOLDERS' EQUITY**Capital Stock****Authorized:**

Common shares: unlimited number, without par value;

Preferred shares: unlimited number, issuable in series.

Issued and outstanding shares:

During the three months ended March 31, 2017, \$70,000 in share subscription funds were received for a private placement which has not yet been closed as of the date of this report. No shares were issued during the quarter ended March 31, 2017.

In October 2016, the Company completed an issuance of 5,715,856 units. Included in this issuance was a private placement of 4,701,571 units for proceeds of \$329,110 and 1,014,285 units issued for services in the amount of \$71,000. Each unit consists of one common share of the Company and one-half-of-one common share purchase warrant. Each full warrant is exercisable to acquire one additional common share at \$0.15 per share for a period of 2 years. There were no proceeds allocated to the warrants in the private placement. In connection with the private placement, the Company incurred share issuance costs of \$5,178.

On November 10, 2016, the Company issued 2,500,000 common shares to acquire the rights to software with a fair value of \$262,500 (Note 6).

CALYX BIO-VENTURES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2017

8. SHAREHOLDERS' EQUITY (continued)**Capital Stock (continued)**

During the year ended December 31, 2016, the Company issued 2,550,000 common shares at \$0.05 from the exercise of options for gross proceeds of \$127,500.

Common share purchase warrants

Common share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2015	-	\$ -
Issued	2,857,928	0.15
Balance, December 31, 2016 and March 31, 2017	2,857,928	\$ 0.15

The warrants have an exercise price of \$0.15 and expire on October 28, 2018.

Stock options

The Company has a “rolling” stock option plan (the “Plan”) that allows the Company to issue a number of stock options of up to 10% of the Company’s issued and outstanding common shares at any given time. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or not more than 2% of the issued shares on a yearly basis if granted to any one consultant or to any one employee engaged in investor relations activities. The term, subject to a maximum of ten years, and vesting period of the options is determined by the Board of Directors. The exercise price of the options are required to have an exercise price no less than the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange, or “TSX-V”), or such other price as may be required by the TSX-V; there are no cash settlement alternatives for the option holders.

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2015	2,650,000	\$ 0.050
Exercised	(2,550,000)	0.050
Granted	2,500,000	0.115
Balance, December 31, 2016 and March 31, 2017	2,600,000	\$ 0.113

In October 2016, the Company granted 2,500,000 incentive stock options to directors, officers and consultants of the Company. The options are exercisable at \$0.115 per share for a period of 5 years and vested on the date of their grant. The fair value of these options was \$308,412. The value of the options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0.0%, expected volatility 171.49%, risk-free interest rate 0.66%, and an expected life of five years.

As at March 31, 2017, the following stock options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life in Years
June 12, 2020	\$ 0.050	100,000	3.20
October 24, 2021	\$ 0.115	2,500,000	4.57
	\$ 0.113	2,600,000	4.52

CALYX BIO-VENTURES INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2017

9. RELATED PARTY TRANSACTIONS

a) Transactions:

Key management personnel include directors and senior management members. The Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	Three months March 31, 2017	Three months March 31, 2016
Consulting fees	\$ 33,000	\$ 42,125
	\$ 33,000	\$ 42,125

During the three months ended March 31, 2017, the Company reimbursed a company controlled by an officer \$9,750 (2016 – \$3,750) for cloud hosting costs incurred on behalf of the Company.

b) Due to (receivable from) related parties:

	March 31, 2017	March 31, 2016
Personnel costs	\$ 17,000	\$ 26,871
Prepaid advances	(22,236)	-
Office expense reimbursements	-	3,599
	\$ (5,236)	\$ 30,470

Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing.

10. ECONOMIC DEPENDENCE

For the three months ended March 31, 2017, the Company has 2 (2016 – 2) significant customers which account for more than 10% of its revenue. These 2 customers account for 53% (2016 – 56%) and 47% (2015 – 44%) respectively.

11. CAPITAL MANAGEMENT

The Company manages its cash and common shares as 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 its strategic plan. The Company manages and performs regular review of financial information. The Company does not have any externally imposed capital requirement to which it is subject.

There was no change in the Company's approach to capital management during the period.

12. SUBSEQUENT EVENTS

On April 18th, 2017, the Company entered into a letter agreement to acquire the remaining software assets and clients related to the existing software framework acquired in November 2016 which enhanced the features of its real-time, mass communications platform. In consideration for the acquisition, the Company issued 4,540,000 common shares subsequent to period end.