



Calyx Bio-Ventures Inc.

Condensed Interim Consolidated Financial Statements

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

**For the six months ended
June 30, 2016 and 2015**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The attached condensed interim consolidated financial statements for the six month period ended June 30, 2016 and 2015 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

	June 30, 2016	December 31, 2015
ASSETS		
Current		
Cash	\$ 1,575	\$ 7,583
Receivables (Note 6)	11,229	15,758
Inventory (Note 7)	9,500	9,500
Prepaid expenses and deposits	8,944	3,667
	31,248	36,508
Non-Current Assets		
Equipment (Note 9)	4,531	6,525
Intangible assets (Note 8)	224,154	291,502
	259,933	334,535
Total Assets	\$ 259,933	\$ 334,535
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 75,962	\$ 37,598
Unearned revenue	-	2,500
	75,962	40,098
Non-current liabilities		
Unearned revenue	5,500	5,500
	81,462	45,598
Total Liabilities	81,462	45,598
Shareholders' Equity		
Capital stock (Note 11)	6,832,163	6,832,163
Reserves (Note 11)	2,325,193	2,325,193
Deficit	(8,978,885)	(8,868,419)
	178,471	288,937
Total Liabilities and Shareholders' Equity	\$ 259,933	\$ 334,535

Nature and Continuation of Operations (Note 1)

Subsequent Events (Note 15)

Approved and authorized for issue by the Board of Directors

"Roger Forde" Director
Roger Forde

"Gavin McMillan" Director
Gavin McMillan

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

Calyx Bio-Ventures Inc.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
REVENUE	\$ 16,850	\$ -	\$ 41,790	\$ -
COST OF SALES	-	-	-	-
GROSS PROFIT	16,850	-	41,790	-
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES				
Depreciation (Note 9)	-	1,994	1,994	3,988
Depreciation of intangible assets (Note 8)	33,674	23,674	67,348	47,348
Personnel costs	11,994	26,500	57,037	29,700
Professional and regulatory	13,576	24,244	14,009	25,741
Marketing	-	449	-	2,426
Office and administrative	7,420	31,746	11,434	43,622
	(66,664)	(108,607)	(151,822)	(152,825)
OTHER INCOME (EXPENSES)				
Share-based compensation	-	(61,173)	-	(61,173)
Recovery on the sale of interest in associate (Note 10)	-	300,236	-	300,236
Foreign exchange loss	(972)	-	(434)	(518)
Net and comprehensive income (loss) for the period	\$ (50,786)	\$ 130,456	\$ (110,466)	\$ 85,720
Basic and diluted income (loss) per common share	\$ (0.001)	\$ 0.003	\$ (0.002)	\$ 0.002
Weighted average number of common shares outstanding	50,618,673	38,954,632	50,618,673	38,954,632

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)

SIX MONTHS ENDED JUNE 30,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (110,466)	\$ 85,720
Items not affecting cash:		
Depreciation	1,994	3,988
Depreciation of intangible assets	67,348	47,348
Share-based compensation	-	61,173
Changes in working capital items relating to operations:		
Receivables	4,529	8,507
Prepaid expenses and deposits	(5,277)	(15,096)
Accounts payable and accrued liabilities	38,364	(73,531)
Unearned revenue	(2,500)	-
Net cash flows provided from (used in) operating activities	(6,008)	118,109
Change in cash during the period	(6,008)	118,109
Cash, beginning of period	7,583	17,083
Cash, end of period	\$ 1,575	\$ 135,192

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

Calyx Bio-Ventures Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in Canadian Dollars)

	<u>Capital Stock</u>					
	Number	Amount	Contributed Surplus	Warrant Reserve	Deficit	Total
Balance as at December 31, 2014	48,351,892	\$ 6,712,163	\$ 1,726,159	\$ 533,014	\$ (8,716,572)	\$ 254,764
Warrants expired	-	-	533,014	(533,014)	-	-
Share-based compensation	-	-	61,173	-	-	61,173
Loss for the period	-	-	-	-	85,720	85,720
Balance as at June 30, 2015	48,351,892	6,712,163	2,320,346	-	(8,630,852)	401,657
Balance as at December 31, 2015	50,618,673	6,832,163	2,325,193	-	(8,868,419)	288,937
Loss for the period	-	-	-	-	(110,466)	(110,466)
Balance as at June 30, 2016	50,618,673	\$ 6,832,163	\$ 2,325,193	\$ -	\$ (8,978,885)	\$ 178,471

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 six months ended June 30, 2016

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 \$8,978,885. 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 June 30, 2016, the Company had a working capital deficiency of \$44,714 (December 31, 2015 deficit - \$3,590). 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, 2015.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 29, 2016, 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, 2015.

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 six months ended June 30, 2016

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; and
- b) Accounts payable are 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 June 30, 2016:

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. ACQUISITION OF CANNIGISTICS AGRI-SOLUTIONS CORP.

On December 9, 2014, the Company completed the acquisition of all of the issued and outstanding shares of Cannigistics. Cannigistics is a development stage company focused on bringing sophisticated, versatile and flexible technology solutions to advanced indoor agriculture.

The acquisition of Cannigistics was accounted for as an asset acquisition effective on December 9, 2014.

During the year ended December 31, 2014, the Company issued 10,000,000 common shares of the Company with a fair value of \$250,000 as consideration for all of the issued and outstanding shares of Cannigistics.

During the year ended December 31, 2015, an additional 3,000,000 common shares with a fair value of \$120,000 were issued on the achievement of certain milestones. This was added to the costs of the intangible assets (Note 8). The Company has previously assessed the probability of achieving the milestone as low and, as a result, the estimated value of the additional shares was not incorporated into the original allocation below.

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

(Unaudited – Expressed in Canadian Dollars)

For the six months ended June 30, 2016

5. ACQUISITION OF CANNIGISTICS AGRI-SOLUTIONS CORP. (continued)

Allocation of consideration – Assets and Liabilities of Cannigistics:

Assets acquired:

Current receivables	\$ 16,961
Computer equipment	20,000
Intangible assets – software	284,091
	<u>321,052</u>

Liabilities assumed:

Accounts payable and accruals	31,484
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Net assets acquired

	<u>\$ 289,568</u>
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Cost consisted of:

Issuance of common shares	\$ 250,000
Transaction costs	39,568

Total cost of acquisition

	<u>\$ 289,568</u>
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The intangible assets acquired by the Company with the acquisition of Cannigistics were software related. In connection with the acquisition of Cannigistics, the Company incurred legal and professional fees of \$39,568. These transaction costs were added to the total purchase price and allocated among the net assets acquired.

6. RECEIVABLES

	June 30, 2016	December 31, 2015
Trade receivables	\$ 577	\$ 6,196
GST receivable	10,652	9,562
	<u>\$ 11,229</u>	<u>\$ 15,758</u>

7. INVENTORY

	June 30, 2016	December 31, 2015
Parts	\$ 9,500	\$ 9,500

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

(Unaudited – Expressed in Canadian Dollars)

For the six months ended June 30, 2016

8. INTANGIBLE ASSETS

As of June 30, 2016, the Company's intangible assets consist entirely of software. The Company's intangible assets are as follows:

	Software
Balance December 31, 2014	\$ 276,200
Addition (Note 5)	120,000
Depreciation	(104,698)
Balance December 31, 2015	291,502
Depreciation	(67,348)
Balance June 30, 2016	\$ 224,154

All software related intangibles are being depreciated on a straight-line basis over three years.

9. EQUIPMENT

The Company's equipment was as follows:

	Computer Equipment
Balance December 31, 2014	\$ 14,500
Depreciation for the period	(7,975)
Balance December 31, 2015	6,525
Depreciation for the period	(1,994)
Balance June 30, 2016	\$ 4,531

10. INTEREST IN ASSOCIATE

As of December 31, 2014, the Company had an interest in Agrisoma Biosciences Inc. ("Agrisoma"), a company focused on carinata, a non-food oilseed crop that is a source of oil for biofuel production. During the year ended December 31, 2014, Agrisoma completed a third party financing without Calyx's participation. The resulting financing decreased Calyx's interest in Agrisoma to approximately 22.8% which, due to the uncertainty of recovery, had a \$Nil carrying value.

During the year ended December 31, 2015, Agrisoma and the Company entered into a termination and settlement agreement. Agrisoma purchased the Company's interest in Agrisoma for \$300,236 and was recorded as recovery from the sale of interest in associate.

11. EQUITY**Share Capital****Authorized:**

Common shares: unlimited number, without par value;

Preferred shares: unlimited number, issuable in series.

Issued and outstanding shares:

No shares were issued during the six months ended June 30, 2016.

During the year ended December 31, 2015, the Company completed the following transactions:

-The Company cancelled 733,219 common shares.

-The Company issued 3,000,000 common shares in connection with the acquisition transaction of Cannigistics (Note 5).

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

(Unaudited – Expressed in Canadian Dollars)

For the six months ended June 30, 2016

11. EQUITY (continued)**Common share purchase warrants**

Common share purchase warrant transactions are summarized as follows:

	Number of warrants	Amount
Balance, December 31, 2013	16,351,334	\$ 1,318,613
Expired	(7,351,334)	(785,599)
Balance, December 31, 2014	9,000,000	\$ 533,014
Expired	(9,000,000)	(533,014)
Balance, December 31, 2015 and June 30, 2016	-	\$ -

No warrants were outstanding as of June 30, 2016.

During the six months ended June 30, 2015, 9,000,000 common share purchase warrants expired and \$533,014 has been transferred from the warrant reserve to contributed surplus.

The warrant reserve records items recognized as fair value of common share purchase warrants until such time that the warrants were exercised, at which time the corresponding amount will be transferred to share capital. If the common share warrants expired, the amount recorded is transferred to contributed surplus.

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 stock options	Weighted average exercise price
Balance, December 31, 2013	3,476,753	\$ 0.23
Forfeited	(791,753)	0.25
Granted	150,000	0.20
Balance, December 31, 2014	2,835,000	\$ 0.22
Forfeited	(2,835,000)	0.22
Granted	2,650,000	0.05
Balance, December 31, 2015 and June 30, 2016	2,650,000	\$ 0.05

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

(Unaudited – Expressed in Canadian Dollars)

For the six months ended June 30, 2016

11. EQUITY (continued)**Stock options (continued)**

No stock options were granted during the six months ended June 30, 2016.

On June 12, 2015, 2,650,000 options were granted to directors and consultants of the Company. These options vested on issue, have a five year term and are exercisable at \$0.05 per share. The calculated value of these options was \$61,173 and is included in share-based compensation expense and the corresponding credit in contributed surplus. The value of the options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0.0%, expected volatility 118.68%, risk free interest rate 0.94%, and an expected life of five years.

The options outstanding under the plan at June 30, 2016 are as follows:

Options outstanding and exercisable		
Exercise price	Number of common shares issuable	Remaining contractual life (years)
\$0.05	2,650,000	3.95

The weighted average fair value of options granted during the six months ended June 30, 2015 is \$0.023.

12. RELATED PARTY TRANSACTIONS

a) Transactions:

The Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	Six months June 30, 2016	Six months June 30, 2015
Consulting fees to key management personnel	\$ 45,125	\$ 16,000
Share-based payments to directors of the Company	-	42,352
	\$ 45,125	\$ 58,352

During the six months ended June 30, 2016, the Company reimbursed a company controlled by an officer \$5,566 (2015 – \$16,144) for cloud hosting costs incurred on behalf of the Company.

During the six months ended June 30, 2016, the Company granted no stock options (2015 – 1,700,000) to directors of the Company, with a fair value of \$nil (2015 – \$42,352).

b) Due to related parties:

	Six months June 30, 2016	Six months June 30, 2015
Personnel costs	\$ 16,621	-
Professional fees	8,000	-
Office expense reimbursements	2,006	-
Loans	6,000	-
	\$ 32,627	\$ -

Loans payable to related parties as at June 30, 2016 consists of a \$6,000 (December 31, 2015 - \$nil) loan from an officer of the Company. The loan is non-interest bearing, unsecured and has no fixed terms of repayment.

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

CALYX BIO-VENTURES INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Expressed in Canadian Dollars)

For the six months ended June 30, 2016

13. ECONOMIC DEPENDENCE

For the six months ended June 30, 2016, the Company has 2 (2015 – nil) significant customers which account for more than 10% of its revenue. These 2 customers account for 51% (2015 – nil%) and 49% (2015 – nil%) respectively.

14. 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.

15. SUBSEQUENT EVENTS

In August 2016, the board of directors approved a consolidation of the Company's outstanding common shares on the basis of one post-consolidated common share for every ten common shares issued and outstanding. As of the date of this report, the share consolidation has not yet been completed.