PEEKABOO BEANS INC.

FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of Peekaboo Beans Inc.,

We have audited the accompanying financial statements of the Peekaboo Beans Inc., which comprise the statements of financial position as at September 30, 2015 and 2014, and the statements of comprehensive loss, changes in deficiency and cash flows 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 qualified opinion on the financial performance and cash flows for the year ended September 30, 2014 and our unmodified audit opinion on the financial position as at September 30, 2014 and on the financial statements for the year ended September 30, 2015.

Basis for Qualified Opinion on the Financial Performance and Cash Flows

Because we were appointed auditors of the Peekaboo Beans Inc. during 2015, we were not able to observe the counting of the physical inventories at the beginning of the fiscal year ended September 30, 2014 or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the financial performance and cash flows, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the year ended September 30, 2014.

Qualified Opinion on the Financial Performance and Cash Flows

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on the Financial Performance and Cash Flows paragraph, the statements of comprehensive loss, changes in deficiency and cash flows present fairly, in all material respects, the financial performance and cash flows of Peekaboo Beans Inc. for the year ended September 30, 2014 in accordance with International Financial Reporting Standards.

Opinion on the Financial Position, Financial Performance and Cash Flows
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Peekaboo Beans Inc. as at September 30, 2015 and 2014 and its financial performance and its cash flows for the year ended September 30, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 2 in the financial statements which describe matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Peekaboo Beans Inc.'s ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 8, 2016

PEEKABOO BEANS INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2015		September 30, 2014	
ASSETS					
Current assets					
Cash		$	-	$	57,911
Trade receivables			6,062		9,351
Apparel production deposits	6		220,282		449,455
Inventories	6		1,194,089		608,975
Total current assets			1,420,433		1,125,692
Non-current assets					
Software and equipment	15		12,860		10,654
Total assets		**$**	**1,433,293**	**$**	**1,136,346**
LIABILITIES AND DEFICIENCY					
Current liabilities					
Bank overdraft		$	10,845	$	-
Trade payables and accrued liabilities	16		586,362		207,855
Commissions payable	8		140,057		71,105
Current portion of bank debt	17		47,340		47,340
Loans	17		303,000		831,740
Total current liabilities			1,087,604		1,158,040
Non-current liabilities					
Bank debt	17		39,470		86,810
Loans	17		434,708		-
Total liabilities			1,561,782		1,244,850
Deficiency					
Share capital	18		3,818,620		2,390,731
Commitment to issue shares	18		1,000,335		-
Subscriptions receivable	18		(5,000)		-
Reserves	18		1,225,520		974,239
Deficit			(6,167,964)		(3,473,474)
Total deficiency			(128,489)		(108,504)
Total liabilities and deficiency		**$**	**1,433,293**	**$**	**1,136,346**

Refer to Note 17, "Loans" and Note 22, "Commitments and Contingencies".
Refer to Note 25, "Events Subsequent to the Reporting Date".

On behalf of the Board of Directors of Peekaboo Beans Inc. on the 8th day of July, 2016.

/s/ Traci Costa
Ms. Traci Costa, CEO and Director

/s/ Robert Levis
Mr. Robert Levis, Director

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

PEEKABOO BEANS INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Year Ended September 30, 2015	2014
Sales		**$ 3,469,867**	**$ 3,048,990**
Cost of sales	7, 8	**2,806,865**	**2,141,051**
Gross profit		**663,002**	**907,939**
Stylist training, recruitment and marketing	9	199,718	134,892
Administrative	11	438,407	361,365
Distribution and information technology	12	125,679	112,402
Governance, restructuring and public company costs	14	117,086	-
Executive and employee stock-based compensation	10	371,546	225,846
Executive and employee salary compensation	10	878,767	831,089
Operating loss		**(1,468,201)**	**(757,655)**
Finance expense	13	(1,216,549)	(137,209)
Foreign exchange		(9,740)	(18,587)
Net loss and comprehensive loss for the year		**$ (2,694,490)**	**$ (913,451)**
Basic and diluted loss per common share		**$ (1.04)**	**$ (0.48)**
Weighted average number of common shares outstanding		**2,599,337**	**1,899,128**

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

PEEKABOO BEANS INC.
STATEMENT OF CHANGES IN DEFICIENCY
(Expressed in Canadian dollars)

	Note	Share Capital Number	Share Capital Amount	Obligation To Issue Shares	Share Subscriptions Receivable	Reserves	Deficit	Total
At September 30, 2013		**1,791,366**	**$ 1,375,706**	**$ -**	**$ -**	**$ 959,007**	**$ (2,560,023)**	**$ (225,310)**
Issuance of shares pursuant to private placement	18	318,250	636,500	-	-	-	-	636,500
Stock-based compensation	18	-	-	-	-	225,846	-	225,846
Exercise of stock options	18	330,000	82,500	-	-	-	-	82,500
Transfer from reserves on exercise of options		-	53,861	-	-	(53,861)	-	-
Issuance of shares pursuant to settlement of debt	18	121,082	242,164	-	-	(156,753)	-	85,411
Net loss		-	-	-	-	-	(913,451)	(913,451)
At September 30, 2014		**2,560,698**	**2,390,731**	**-**	**-**	**974,239**	**(3,473,474)**	**(108,504)**
Issuance of shares pursuant to private placement	18	285,495	311,637	-	-	-	-	311,637
Stock-based compensation	18	-	-	-	-	371,546	-	371,546
Exercise of stock options	18	55,000	18,750	-	(5,000)	-	-	13,750
Transfer from reserves on exercise of options		-	120,265	-	-	(120,65)	-	-
Shares issued pursuant to settlement of amounts due to shareholders	18	220,674	231,708	-	-	-	-	231,708
Shares issued pursuant to settlement of notes payable	17, 18	710,028	745,529	-	-	-	-	745,529
Escrow shares to be issued	18	-	-	1,000,335	-	-	-	1,000,335
Net loss		-	-	-	-	-	(2,694,490)	(2,694,490)
At September 30, 2015		**3,831,895**	**$ 3,818,620**	**$ 1,000,335**	**$ (5,000)**	**$ 1,225,520**	**$ (6,167,964)**	**$ (128,489)**

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

PEEKABOO BEANS INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year Ended September 30, 2015		Year Ended September 30, 2014	
Operating Activities				
Net loss for the year	$	(2,694,490)	$	(913,451)
Adjustments for:				
Stock-based compensation		371,546		225,846
Common shares issued for consulting		12,500		-
Financing fee issued in escrow shares		1,000,335		-
Accrued interest expense		122,885		33,509
Amortization		7,373		15,570
Changes in non-cash working capital items:				
Trade receivables		3,289		(7,447)
Inventories		(585,114)		(356,251)
Apparel production deposits		229,173		(83,257)
Trade payables and accrued liabilities		447,459		(10,330)
Commissions payable		-		8,074
Cash used in operating activities		(1,085,044)		(1,087,737)
Investing Activities				
Purchase of equipment		(9,579)		(5,250)
Cash used in investing activities		(9,579)		(5,250)
Financing Activities				
Repayment of bank debt		(47,340)		(46,240)
Loan payable		300,000		-
Short-term loan		293,000		-
Shareholder loans		154,821		536,847
Private placements of common shares		325,386		636,500
Cash from financing activities		1,025,867		1,127,107
Change in cash during the year		(68,756)		34,120
Cash, beginning of year		57,911		23,791
Cash (bank overdraft), end of year	**$**	**(10,845)**	**$**	**57,911**

<u>Other supplemental cash flow information</u>:

	2015		2014	
Interest paid	$	23,190	$	34,650
Income taxes paid	$	-	$	-
Other non-cash transactions:				
Shares issued for settlement of debt	$	231,708	$	242,164
Shares issued for settlement of notes payable	$	745,529	$	-
Shares issued for exercise of stock options settled with debt	$	-	$	82,500

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

1. NATURE OF OPERATIONS

Peekaboo Beans Inc. (the "Company" or "Peekaboo Beans") is incorporated under the Canada Business Corporations Act and its head office is located at Unit 610, 13211 Delf Place Richmond, British Columbia, V6V 2A2 and with a registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

Peekaboo Beans designs children playwear apparel that allows for free unstructured play for children and sold through a direct-sales network of independent sales representatives, referred to as "Stylists", predominately in Western Canada. Stylists encourage mothers to host sales parties or "Soirees" in their homes to demonstrate and sell the playwear apparel. Children playwear apparel is manufactured by third party contract manufactures.

Subsequent to September 30, 2015, the Company and North Group Finance Limited ("North Group"), which is listed on the TSX Venture Exchange ("TSXV") in Canada, entered into a definitive amalgamation agreement to conduct a reverse takeover transaction to list its shares on the TSXV ("RTO") (Note 25).

The Company's Board of Directors has authorized issuing 2.4 million units priced at $1.05 per unit and with each unit consisting of one share and one share purchase warrant to raise approximately $2,520,000 ("Units" or "Unit Offering") (Note 25(b)).

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's board of directors approved the release of these financial statements on July 8, 2016.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies set out Note 3. The financial statements are presented in Canadian dollars and all financial amounts, other than per-share amounts, are rounded to the nearest dollar. The functional currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2. BASIS OF PRESENTATION (cont'd)

(c) Going concern of operations

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at September 30, 2015, the Company had not yet achieved profitable operations, incurred a loss of $2,694,490 during the year ended September 30, 2015 and, as of that date, the Company had accumulated losses of $6,167,964 since inception. Furthermore, the Company expects to incur further losses in the development of its business, all of which cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuing operations and its ability to discharge its liabilities and fulfill its commitments as they come due, is dependent upon the continued sales of the Company's products, the support of its bank and related parties, the ability of the Company to continue to obtain equity and debt financing and, ultimately, reaching and maintaining profitable operations. Management plans to continue to develop its sales channels to ensure the Company can generate sustainable, long-term profitability, and obtain additional financing.

Management believes the Company will be successful at securing additional funding and successfully reaching profitable operations at its production facilities to continue as a going concern for the foreseeable future. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

If the Company is unable to obtain adequate additional funding, the Company would require the restatement of assets and liabilities on a liquidation basis, which would differ significantly from the going concern basis. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements unless otherwise indicated.

(a) Foreign Currency Transactions

The functional currency is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the functional currency of the Company.

Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of operations in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of operations to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash.

(c) Inventory

Children playwear apparel inventory are categorized by four seasonal product lines sold through catalogues and include:

i) <u>Apparel Production Deposit</u>: The Company makes partial payments on inventory orders in advance of receiving the inventory.
ii) <u>Fundamentals Collections</u>: Includes year-round children playwear apparel that is consistently ordered by Stylists.
iii) <u>Stylist Business Supplies</u>: Includes material sold to Stylists to operate their business, such as promotional material, business tools and office supplies.
iv) <u>Inventory Reserves</u>: Includes factory extras and past seasonal stock.

Finished goods are valued at the lower of average cost, which is net of vendor rebates, and net realizable value. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less any estimated selling costs. Cost of inventory includes expenditures in acquiring the inventories, production costs and other cost incurred in bringing them to their existing location. Provision is made for obsolete, slow-moving or defective items, where appropriate.

(d) Sales revenue recognition and other income

Revenue represents sales of children playwear apparel and catalogues. Sales of children playwear apparel and catalogues, net of returns, is recognized when the significant risks and rewards of ownership of the goods have passed to the customer, usually on delivery of the goods.

(e) Cost of sales

Cost of sales includes cost of goods or the manufacturing costs of children playwear apparel and other costs incurred in bringing them to their existing location and Stylists' sales commission.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Software and equipment

Software and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment is as follows:

Class	Amortization rate
Computer software	50%
Computer hardware	50%
Furniture and equipment	30%

(g) Stock-based compensation

Share options granted by the Company allows Executive Officers, Managers and Employees to acquire shares of the Company. Share-based payments to Employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(h) Financial instruments

Financial assets and liabilities are classified into one of five categories: fair value through profit and loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale ("AFS") financial assets or financial liabilities at amortized cost. All financial instruments, including derivatives, are measured at the statement of financial position date at fair value except for loans and receivables, held-to-maturity investments and financial liabilities, which are measured at amortized cost. The Company has made the following classifications:

- Cash and trade receivables are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method.
- Trade payables, commissions' payable, loans and bank debt are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. The diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to include additional shares issued from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that the proceeds from such exercises are used to purchase common shares at the average market price for the period.

(j) Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4. CHANGES IN ACCOUNTING POLICIES

Certain pronouncements, issued by the IASB or the IFRIC, were adopted during the year, or are mandatory for the Company's fiscal years beginning on or after October 1, 2014 or are required to be adopted in future periods. The following pronouncements are relevant to the financial statements, although none of these are expected to have a material effect on financial statement presentation:

Standards issued but not yet effective

(a) IFRS 9, "Financial Instruments: Recognition and Measurement" replaces the requirements of IAS 39, "Financial Instruments: Recognition and Measurement". This final version of IFRS 9 brings together the classification and measurements as well as impairment and hedge accounting phases of the project to replace IAS 39. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. These changes are applicable for annual periods beginning on or after January 1, 2018. The Company has not yet assessed the future impact of this new standard on its financial statements.

(b) IFRS 15, "Revenue from contracts with customers" replaces the requirements of IAS 11, "Construction Contracts", and IAS 18, "Revenue and related interpretations". This standard specifies the steps and timing for issuers to recognize revenue as well as requiring them to provide more informative, relevant disclosures. These changes are applicable for annual periods beginning on or after January 1, 2017, with earlier application permitted. The standard is effective for the Company's fiscal year beginning October 1, 2017.

(c) IFRS 16 "Leases" replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

There are no other pending IFRS or IFRIC interpretations that are expected to be relevant to the Company's financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the Company makes estimates and assumptions concerning the future that affect the amounts recorded. Actual results could differ from these estimates. Estimates and assumptions are based on historical experience, expectations of future events and other factors considered by management to be reasonable. The estimates and assumptions that could result in a material impact to the carrying amounts of assets and liabilities are outlined below:

(a) Inventory valuation

The Company records a write-down to reflect management's best estimate of the net realizable value of inventory which includes assumptions and estimates for future sell-through of units, selling prices as well as disposal costs, where appropriate, based on historical experience. Management continually reviews the carrying value of its inventory, to assess whether the write-down is adequate, based on current economic conditions and an assessment of sales trends.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

(b) Stock-based compensation

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of equity instruments at the date on which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the assumptions with respect to the expected life of the option, volatility and dividend yield.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's going concern and expected life of equipment.

6. APPAREL PRODUCTION DEPOSITS AND INVENTORIES

	Apparel production deposits		Inventories	
Seasonal	**2015**	**2014**	**2015**	**2014**
Spring / Summer 2016	$ 220,282	$ -	$ -	$ -
Winter, 2015	-	-	209,582	-
Fall, 2015	-	-	601,918	-
Summer, 2015	-	52,731	52,455	-
Spring, 2015	-	154,221	82,310	-
Winter, 2014	-	242,503	4,775	-
Fall, 2014	-	-	24,039	181,616
Summer, 2014	-	-	2,685	134,237
Spring, 2014	-	-	1,867	71,513
Fall, 2013	-	-	-	11,592
Total Seasonal	**220,282**	**449,455**	**979,631**	**398,958**
Fundamental Collection	-	-	161,816	126,418
Stylist Business Supplies	-	-	44,971	18,822
Inventory Reserves	-	-	7,671	64,777
Total	**$ 220,282**	**$ 449,455**	**$ 1,194,089**	**$ 608,975**

7. COST OF GOODS

For the years ended September 30, 2015 and 2014, cost of goods were $2,023,877 and $1,634,756, respectively, excluding Stylist Commissions (Note 8).

The Company's contract manufacturers are located in the People's Republic of China ("China") and conduct business transactions in United States dollars (USD).

(Expressed in Canadian dollars)

8. STYLISTS COMMISSIONS

Stylists receive commissions on their sales depending on their compensation rank. Stylists also earn down line commissions for each sponsored active recruit. During the year ended September 30, 2015, Stylists sold apparel and earned commissions of $782,988 (2014 - $506,295), recorded in cost of sales (Note 7).

The Company accrues sales commissions that are payable to its Stylists when they elect not to have their sales commissions paid by cash immediately and choose to apply outstanding commissions owed against future apparel purchases. As at September 30, 2015, commissions earned but unpaid totalled $140,057 (2014 - $71,105).

9. STYLISTS TRAINING, RECRUITMENT AND MARKETING

Various costs are incurred in the training and recruitment of Stylists and are included in the earnings for the period incurred. Soiree hostesses receive product credit and discounts for hosting sales parties. From time to time, direct-sales industry management consultants are engaged and payments are included in the period incurred.

	2015	**2014**
Training	$ 105,485	$ -
Recruitment	8,299	-
Marketing	85,934	134,892
	$ 199,718	**$ 134,892**

10. EXECUTIVE AND EMPLOYEE COMPENSATION

Executive and employee salary compensation	**2015**	**2014**
Executive officer salaries	$ 73,000	$ 65,000
Executive manager salaries	135,339	141,375
Employee salaries	670,428	624,714
	$ 878,767	**$ 831,089**

Executive and employee stock-based compensation	**2015**	**2014**
Executive officer stock-based compensation (Note 18)	$ 101,865	$ 180,692
Executive manager stock-based compensation (Note 18)	34,087	-
Employee stock-based compensation (Note 18)	235,594	45,154
	$ 371,546	**$ 225,846**

(Expressed in Canadian dollars)

11. ADMINISTRATIVE

	2015	2014
Bad debts	$ -	$ 1,758
Credit card processing	88,482	65,361
Consulting	89,341	100,173
Donations	34,513	7,047
Amortization (Note 15)	7,373	15,571
Insurance	7,963	3,833
Office and miscellaneous	97,999	65,550
Professional fees	98,700	69,958
Research and development	1,048	2,414
Travel, meals and entertainment	12,988	29,700
	$ 438,407	**$ 361,365**

12. DISTRIBUTION AND INFORMATION TECHNOLOGY

	2015	2014
Rent and utilities	$ 75,307	$ 63,585
Information technology	50,372	48,817
	$ 125,679	**$ 112,402**

13. FINANCE EXPENSE

	2015	2014
Interest expense	$ 216,214	$ 137,209
Financing fee to be paid in escrow shares (Note 18)	1,000,335	-
	$ 1,216,549	**$ 137,209**

14. GOVERNANCE, RESTRUCTURING AND PUBLIC COMPANY COSTS

	2015	2014
Legal	$ 95,786	$ -
Audit and accounting	20,000	-
Other	1,300	-
	$ 117,086	**$ -**

(Expressed in Canadian dollars)

15. SOFTWARE AND EQUIPMENT

	Furniture and Equipment	Computer Hardware	Computer Software	Total
Cost				
Balance, September 30, 2013	$ 3,731	$ 1,031	$ 31,272	$ 36,034
Acquisitions	-	-	5,250	5,250
Balance, September 30, 2014	3,731	1,031	36,522	41,284
Acquisitions	-	3,489	6,090	9,579
Balance, September 30, 2015	**$ 3,731**	**$ 4,520**	**$ 42,612**	**$ 50,863**

	Furniture and Equipment	Computer Hardware	Computer Software	Total
Accumulated Amortization				
Balance, September 30, 2013	$ 3,223	$ 1,031	$ 10,806	$ 15,060
Amortization	508	-	15,062	15,570
Balance, September 30, 2014	3,731	1,031	25,868	30,630
Amortization	-	523	6,850	7,373
Balance, September 30, 2015	**$ 3,731**	**$ 1,554**	**$ 32,718**	**$ 38,003**

	Furniture and Equipment	Computer Hardware	Computer Software	Total
Net Book Value				
As at September 30, 2014	**$ -**	**$ -**	**$ 10,654**	**$ 10,654**
As at September 30, 2015	**$ -**	**$ 2,966**	**$ 9,894**	**$ 12,860**

16. TRADE AND OTHER PAYABLES

	2015	2014
Trade payables	$ 385,607	$ 176,329
Accruals	107,522	-
Other non-trade payables	93,233	31,526
	$ 586,362	**$ 207,855**

Accruals includes accrued salary bonus of $35,000 (2014 - $nil) to an Executive Officer (see Note 20).

17. LOANS

Debt Ranked by Seniority		2015	2014
Current loans:			
Bank debt, current portion	(a)	$ 47,340	$ 47,340
Promissory notes, convertible or converted (Note 18(a)(iv))	(e), (f)	-	575,848
Short-term loan	(b)	273,000	-
Shareholders promissory note	(f)	-	255,892
Short-term promissory note	(c)	30,000	-
		350,340	879,080
Non-current loans:			
Bank debt, non-current portion	(a)	39,470	86,810
Convertible promissory note	(d)	246,821	-
Promissory note	(e)	187,887	-
		474,178	86,810
		$ 824,518	**$ 965,890**

17. LOANS (cont'd)

(a) Bank debt

The Company has outstanding long-term loans from the Business Development Bank of Canada ("BDC Loans") which bear interest of BDC's floating base rate plus a variance of 3.1% to 3.5% per year and are due between May 2016 and September 2018. The BDC Loans are secured by personal guarantees from the Directors of the Company.

(b) Short term loan

As at September 30, 2015, the Company has a revolving loan of $273,000 owing to company of which a Director of the Company is a shareholder and officer. The Company is charged a quarterly finance fee (Note 20).

(c) Short-term promissory note

At September 30, 2015, the Company owed $30,000 to a shareholder of the Company, which bears no interest.

(d) Convertible promissory note

The Company had a demand loan of $246,821 owing to an Executive Manager, which was converted into a convertible promissory note at September 30, 2015. The convertible promissory note is due December 31, 2017, bearing interest of 8% per annum beginning July 1, 2016 and is convertible into 235,068 Units at the option of the borrower (Note 20). The Company determined that the carrying value of the debt did not materially differ from the fair market value, and as a result none of the balance was attributed to the conversion option and recorded in equity.

(e) Long-term promissory note

During the year ended September 30, 2014, the Company received $200,000 in a subordinated convertible promissory note, bearing interest at 12% per annum, secured by all current and future assets of the Company, and maturing on August 31, 2015. The Company granted 200,000 warrants to the lender, exercisable at $2.50 per share, or $3.00 per share if not exercised within 90 days after payment of the Principal, expiring in three years. No value was attributed to these warrants, which were cancelled as at September 30, 2015.

During the year ended September 30, 2015, the Company repaid $135,179 (2014 – $27,923) and accrued interest of $15,907 (2014 – $7,923) on the above note. At September 30, 2015, the lender loaned an additional $128,000 and the Company renegotiated the promissory note, leaving a balance of $187,887 owing as at September 30, 2015. The loan is now due on December 31, 2017, is unsecured, and bears interest at 12% per annum.

(Expressed in Canadian dollars)

17. LOANS (cont'd)

(f) Promissory notes, converted

At September 30, 2015, the following notes payable were converted into shares and warrants of the Company under the Unit Offering:

	Shares received		Balance converted
Director and shareholder promissory note (Note 18(a)(ii),(v) and Note 20)	317,123	$	332,979
Investor promissory note (Note 18(a)(ii)	107,191		112,550
RTO promissory note (Note 18(a)(ii),(v), Note 20)	285,714		300,000
Shareholders promissory note (Note 18(a)(ii),(v) and Note 20)	220,674		231,708
	930,702	**$**	**977,237**

i) Director and Shareholder promissory note: During the year ended September 30, 2014, a shareholder and a Director and shareholder of the Company lent the Company $350,000 in promissory notes, bearing interest at 12% per annum and maturing on September 1, 2014. The notes were guaranteed by Directors of the Company, who were assigned one warrant for every $1 guaranteed. The Company granted 350,000 warrants to the guarantors, exercisable at $2.50 per share, or $3.00 per share if not exercised within one year, expiring in five years. No value was attributed to these warrants, which were cancelled as at September 30, 2015. During the year ended September 30, 2015, the Company repaid $nil (2014 – $81,844) and accrued interest of $37,131 (2014 – $27,691), leaving a balance of $332,979 as at September 30, 2015, which was converted to 317,123 Units at September 30, 2015 (Note 20).

ii) Investor promissory note: During the year ended September 30, 2014, the Company received $100,000 in a subordinated promissory note, bearing interest at 12% per annum, secured by all current and future assets of the Company, subject to any priority security granted to the BDC, and maturing on October 31, 2015. Subsequent to September 30, 2014 the loan became a demand loan so has been shown as current. The Company granted 100,000 warrants to the lender, exercisable at $2.50 per share, or $3.00 per share if not exercised within 90 days after payment of the Principal, expiring in three years. No value was attributed to these warrants, which were cancelled as at September 30, 2015. During the year ended September 30, 2015, the Company repaid interest of $nil (2014 – $4,011) and accrued interest of $12,551, leaving a balance of $112,550 as at September 30, 2014, which was converted to 107,191 shares as at September 30, 2015.

iii) RTO promissory note: At September 30, 2015, the Company had a demand loan for $300,000 from North Group which was converted to 285,714 Units. The Chief Executive Officer of the Company personally guaranteed the loan (Note 18 and 20).

iv) Shareholders promissory note: At September 30, 2014, the Company owed $255,892 to five shareholders of the Company, accumulating interest at 12% per annum, with no specific terms of repayment. At September 30, 2015, the shareholders loan balance of $231,708 was converted into 220,674 Units (Note 20).

18. SHARE CAPITAL

The Company has authorized an unlimited number of common shares and preferred shares. As at September 30, 2015, the Company has 4,784,595 common shares issued and outstanding of which 952,700 common shares are held in escrow.

All common shares issued have equal rights to dividends and shareholders are entitled to one vote per share at annual and general meetings of the Company. The common shares are without par value. Details of the issuance of share capital is as follows.

(a) Issued and Outstanding

During the year ended September 30, 2015, the Company:

i) Issued 12,500 common shares for proceeds of $25,000 pursuant to non-brokered private placements at $2.00 per share.
ii) Issued 272,995 Units for proceeds of $286,637 and a further 3,750 Units for proceeds of $3,938 pursuant to non-brokered private placements at $1.05 per Unit. Each Unit consists of one common share and one share purchase entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).
iii) Issued 55,000 common shares for proceeds of $13,750 pursuant to the exercise of employee stock options, exercisable at $0.25 per share.
iv) Issued 220,674 Units with a fair value of $231,708, or $1.05 per Unit, pursuant to settlement of amounts due to shareholders of $231,708, including $12,500 for consulting services incurred during the year. Each Unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).
v) Issued 710,028 Units with a fair value of $745,529, or $1.05 per Unit, pursuant to settlement of notes payable of $745,529. Each Unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).
vi) Issued 952,700 shares to be held in escrow shares with a fair value of $1,000,335.

During the year ended September 30, 2014, the Company:

vii) Issued 318,250 common shares for proceeds of $636,500 pursuant to non-brokered private placements at $2.00 per share.
viii) Issued 330,000 common shares pursuant to the exercise of employee and founder stock options, exercisable at $0.25 per share. Proceeds of $82,500 were offset against amounts payable to the option holders.
ix) Issued 121,082 common shares with a fair value of $242,164 pursuant to settlement of debts owed to shareholders of $84,757, resulting in a loss on settlement of $157,407.

(Expressed in Canadian dollars)

18. SHARE CAPITAL (cont'd)

(b) Stock Options

The Company does not have a stock option plan. All previously issued stock options have been cancelled as of September 30, 2015.

A summary of stock option activity to September 30, 2015 is as follows:

	Stock Options Outstanding	Weighted Average Exercise Price
September 30, 2013	**605,000**	**$ 0.25**
Granted	130,000	2.77
Exercised	(330,000)	0.25
September 30, 2014	**405,000**	**1.06**
Granted	394,000	1.58
Exercised	(75,000)	0.25
Cancelled	(744,000)	1.39
September 30, 2015	**-**	**$ -**

During the year ended September 30, 2015, the Company recognized stock-based compensation of $371,546 (2014 - $225,846) on stock options granted and vested.

The weighted average grant-date fair value of options awarded during the year ended September 30, 2015 was $0.75 (2014 - $1.42). The Company used the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2015	2014
Volatility	73.2%	65.8%
Risk-free interest rate	1.60%	1.88%
Expected life of option	4 to 10 years	10 years
Dividend yield	0%	0%

(c) Warrants

During the year ended September 30, 2015, the Company issued 1,207,448 warrants exercisable at $1.25 per warrant until September 30, 2017 (Note 25(b)).

A summary of warrant activity to September 30, 2015 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price
September 30, 2013	-	$ -
Issued	725,000	2.50
September 30, 2014	725,000	$ 2.50
Issued	1,207,448	1.25
Cancelled	(725,000)	2.50
September 30, 2015	**1,207,448**	**$ 1.25**

During the year ended September 30, 2015 the 725,000 warrants issued during the year ended September 30, 2014 were cancelled and the 930,702 warrants were issued in connection with loan settlements (Note 17(f)) and 272,995 warrants and a further 3,750 warrants were issued in connection with non-brokered private placements (Note 18(a)(ii)). As at September 30, 2015, the weighted average remaining life on the outstanding warrants at September 30, 2015 is 1.98 years.

18. SHARE CAPITAL (cont'd)

During the year ended September 30, 2014, in addition to the warrants discussed in Note 17, the Company issued 75,000 warrants exercisable at $2.50 until June 25, 2014. The Company recorded the estimated fair value of $41,434 for the warrants issued as stock-based compensation, determined using the Black Scholes Option Pricing Model using the following assumptions: volatility 68%; expected life 1 year; risk-free rate 2.4%; dividend yield 0%. During the year ended September 30, 2015, the warrants were amended to extend their life to June 25, 2015. As a result of the amendment the Company recorded stock-based compensation of $42,017, determined using the Black Scholes Option Pricing Model using the following assumptions: volatility 72%; expected life 1 year; risk-free rate 0.6%; dividend yield 0%. Subsequent to the amendment, the warrants were cancelled.

(d) Escrow shares
During the year ended September 30, 2015, the Company committed to issue 952,700 shares to be held in escrow to an Executive Officer as a fee for personally guaranteeing loans made to the Company, and recorded as financing cost (Note 17 and 20). These shares have a par value of $0.01, and had a fair value of $1,000,335. The Executive Officer allocated the majority of the escrow shares to other employees of the Company.

(e) Reserves
The reserve records items recognized as stock-based compensation expense until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options or warrants expire unexercised, the amount remains in the reserve account.

19. LOSS PER SHARE

Diluted loss per share for the years ended September 30, 2015 and 2014 is the same as basic loss per share as the effect of warrants and options would be anti-dilutive.

20. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2015:

i) The Company paid its Chief Executive Officer $73,000 (2014 - $65,000) in salary and $35,000 as a guarantee fee for providing collateral to another loan (2014 - $nil) (Note 17). The Company also granted 952,700 common shares to be held in escrow with par value of $0.01 as an additional fee for personally guaranteeing loans made to the Company. Such shares will be held in escrow pending release on completion of the RTO, are valued at $1,000,335 and have been recorded as financing cost (Note 18).

ii) The Company paid salaries of $49,477 (2014 - $37,440) and interest of $8,501 (2014 - $10,032) on loans from an Executive Manager of the Company. The Executive Manager was owed $246,821 for a convertible promissory note, which is convertible into 235,068 Units (2014 – $49,068 loan payable) (Note 17(d)). Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).

iii) A company which a Director of the Company is a shareholder and officer of holds a revolving loan of $273,000 (Note 17). During the year ended September 30, 2015, finance fees totalling $71,772 were incurred on this revolving loan.

iv) Five shareholders of the Company who were collectively owed $231,708 converted their loans into 220,674 Units (Note 17 and 25). Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).

v) A shareholder and a Director and shareholder of the Company, who were collectively owed $332,979, converted their loans into 317,123 Units (Note 17 and 25). Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year (Note 25(b)).

(Expressed in Canadian dollars)

21. INCOME TAXES

The reconciliation of income taxes computed at statutory rates to the reported income tax benefit is as follows:

	2015	2014
Net loss before income taxes	$ (2,694,490)	$ (913,451)
Income tax rate	13.50%	12.92%
Expected income tax benefit	(350,300)	(118,000)
Non-deductible expenses	48,500	33,900
Escrow bonus shares	130,000	-
Change in valuation allowance	171,600	103,500
Effect of change in tax rates	-	(101,000)
	$ -	**$ -**

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate taxable income to utilize its deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2015	2014
Deferred income tax assets:		
Non-capital losses	$ 457,300	$ 286,600
Equipment	3,100	2,200
Unrecognized deferred income tax assets	(460,400)	(288,800)
	$ -	**$ -**

The Company has available for deduction against future taxable income non-capital losses of approximately $3,517,000 for Canadian tax purposes. These losses, if not utilized, will expire in 2035.

22. COMMITMENTS AND CONTINGENCIES

The commercial premises from which the Company carries out its head office and warehouse locations are leased from third parties. This rental contract is classified as operating lease since there is no transfer of risks and rewards inherent to ownership.

The minimum rent payable under non-cancellable operating leases are as follows:

2016	$ 42,000
2017	42,000
	$ 84,000

The Company had no contingent liabilities at September 30, 2015 or 2014.

23. FINANCIAL INSTRUMENTS

The Company is exposed to certain financial risks as listed below. There has been no change in the exposure to risk, nor its objectives, policies and process for managing the risk from the prior year. Disclosures relating to exposure to risks, in particular credit risk, liquidity risk, foreign exchange risk and interest rate risk are provided below.

23. FINANCIAL INSTRUMENTS (cont'd)

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash. The Company limits its exposure to credit risk with respect to cash by investing available cash with major Canadian chartered banks.

The Company's cash is not subject to any external restrictions.

Liquidity Risk

As at September 30, 2015, the Company had a cash balance (overdraft) of ($10,845) (2014 - $57,911) to settle current liabilities of $1,087,604 (2014 - $1,158,040). The Company's liquidity follows a seasonal pattern based on the timing of inventory purchases. In addition, as outlined in Note 17, the Company has a bank debt of $86,810. The Company expects to finance its inventory purchases and administrative expenditures through cash flows from operations, bank debt, as well as equity financing. The Company expects that its trade and other payables will be discharged within 180 days and its bank debt discharged as contractually agreed and as disclosed in Note 17.

The following table identifies the undiscounted contractual maturities of the Company's financial liabilities as at September 30, 2015:

	Within one year	After one year but not more than five years	After five years	Total
Trade payables and other payables	$ 586,362	$ -	$ -	$ 586,362
Commissions payable	140,057	-	-	140,057
Short-term loans	303,000	-	-	303,000
Notes payable	-	434,708	-	434,708
Bank debt	47,340	39,470	-	86,810
	$ 1,076,759	**$ 474,178**	**$ -**	**$ 1,550,937**

Market Risk – foreign exchange risk

At September 30, 2015, a majority of the Company's inventory purchases are in US dollars. All of the Company's revenues and future equity raised is expected to be predominantly in Canadian dollars. Accordingly, the US dollar denominated financial assets and liabilities are subject to fluctuations in exchange rates and can have an effect on the Company's reported results. Management has chosen not to hedge its foreign exchange risk.

The Company's foreign exchange risk is primarily limited to currency fluctuations between the Canadian and US dollar. At September 30, 2015 the Company does not have significant financial assets or liabilities denominated in US dollars.

In order to protect itself from the risk of losses should the value of the Canadian dollar decline compared to the foreign currency, the Company may consider using forward contracts to fix the exchange rate of a portion of its expected U.S. dollar requirements. The contracts will be matched with anticipated foreign currency purchases.

23. FINANCIAL INSTRUMENTS (cont'd)

Market Risk – interest rate risk

Financial instruments that potentially subject the Company to cash flow interest rate risk include financial assets and liabilities with variable interest rates and consist of cash and the credit facility. As at September 30, 2015, cash consisted of cash on hand and balances with banks.

For the year ended September 30, 2015, variable interest expense on the bank debt totalled \$9,746. Assuming that all other variables remain constant, a 100 basis point change in the average interest rate charged during the year would have resulted in an increase or decrease to net earnings (loss) in the amount of approximately \$500.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's bank debt is the only financial liability bearing a fixed interest rate. It is recorded at amortized cost.

Fair Values

At September 30, 2015 and 2014 the Company's financial assets and liabilities approximate fair value due to their short-term to maturity or because they bear interest at market rates.

24. CAPITAL MANAGEMENT

As at September 30, 2015, the Company's capital is composed of interest bearing debt, its loan facility and bank debt, and shareholders' equity. The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support the manufacturing operations of the Company and to maintain corporate and administrative functions.

The Company defines capital as bank loans, other long-term debt, and equity, consisting of the issued common shares, stock options and warrants. The capital structure of the Company is managed to provide sufficient funding operating activities. Funds are primarily secured through a combination of equity capital raised by way of private placements, short-term debt and bank debt. There can be no assurances that the Company will be able to continue raising equity capital and bank debt in this manner. The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, which are all held with major financial institutions.

There were no changes to the Company's approach to capital management during the year ended September 30, 2015.

25. EVENTS SUBSEQUENT TO THE REPORTING DATE

(a) RTO Transaction

On May 30th, 2016, the Company and North Group entered into an amalgamation agreement in connection with a RTO of North Group by the shareholders of the Company, whereby the surviving company will be Peekaboo Beans Inc. North Group's shares were halted for trading on May 16, 2016.

The RTO is subject to TSXV and Peekaboo Beans shareholder approval.

Upon successfully completing the RTO, North Group will issue 3,831,896 common shares to Peekaboo Beans shareholders as a result of the RTO, resulting in approximately 4,810,287 common shares outstanding thereafter and prior to the Unit Offering.

(b) Unit Offering

The Company's Board of Directors has authorized issuance of up to 2.4 million units priced at $1.05 per unit and with each unit consisting of one common share and one share purchase warrant to purchase another share at $1.25 for one year. The share purchase warrant was originally exercisable at $1.50 per share for two years, but was subsequently amended.

(c) Stylist Unit Offering

Subsequent to September 30, 2015, the Company issued 408,500 units under the unit offering to Stylists for total proceeds of $428,925 and is committed to issue a further 242,908 units pending completion of the RTO. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of $1.25 per share for one year.

(d) Subsequent RTO Financings

Subsequent to September 30, 2015, the Company received $100,000 by way of a promissory note bearing interest at 12% per annum and due on the earlier of five days after the completion of the RTO or June 30, 2016.

Subsequent to September 30, 2015, the Company received a total of $165,000 from North Group by way of promissory notes. This amount is due on demand, bears no interest until December 31, 2016 (12% per annum after December 31, 2016), is secured by a personal guarantee of a Director of the Company, and which can be repaid fully or in part with units of the unit offering at the completion of the RTO.