Unaudited interim financial statements of

FTI Foodtech International Inc.

September 30, 2015

(Expressed in Canadian dollars)

FTI Foodtech International Inc.

Statements of operations and comprehensive loss
for the periods ended September 30,
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Revenue				
Product sales and other	**4,980**	**16,247**	**4,980**	**41,427**
Cost of product sales	**233**	**7,232**	**233**	**18,364**
	4,747	**9,015**	**4,747**	**23,062**
Expenses				
General and administrative (Note 7)	**23,121**	**12,108**	**25,728**	**13,225**
Amortization of equipment	**-**	**-**	**-**	**-**
	23,121	**12,108**	**25,728**	**13,225**
Net loss and comprehensive loss	**(18,374)**	**(3,093)**	**(20,981)**	**9,837**
Net loss per share (Note 8)				
Basic and diluted	**(0.001)**	**0.000**	**(0.002)**	**0.001**
Weighted average number of shares outstanding - basic (Note 8)	12,445,563	12,445,563	12,445,563	12,445,563

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of financial position
as at
(Unaudited)
(Expressed in Canadian dollars)

	September 30, 2015	March 31, 2015
	$	**$**
Assets		
Current		
Cash	**6,965**	**11,569**
Accounts receivable (Note 4)	**169,370**	**163,599**
Inventories	**4,360**	**3,460**
Prepaid expenses and sundry receivables	**4,465**	**4,465**
	185,159	**183,093**
Non-current		
Equipment (Note 5)	**-**	**-**
	185,159	**183,093**
Liabilities		
Current		
Accounts payable and accrued liabilities	**41,944**	**20,426**
Advances from related company (Note 7)	**215,965**	**214,435**
	257,910	**234,861**
Shareholders' equity		
Share capital (Note 6)	**4,972,849**	**4,972,849**
Share option reserve (Note 6)	**242,423**	**242,423**
Accumulated deficit	**(5,288,023)**	**(5,267,040)**
	(72,751)	**(51,768)**
	185,159	**183,093**

Approved by the Board

________________________________ Director

________________________________ Director

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of cash flows
for the period ended September 30,
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	$	$	$	$
Operating activities				
Net income (loss) for the period	(18,374)	3,902	$ (20,982)	$ 9,837
Item not affecting cash				
Amortization of equipment	-	-		$ 70
	(18,374)	3,902	$ (20,982)	$ 9,907
Changes in non-cash operating items				
Accounts receivable	(1,941)	(16,358)	$ (1,015)	$ (25,051)
Inventories	(900)	22	$ (900)	$ (2,276)
Advances to related company	4,975	18,117	$ 6,878	$ 44,774
Prepaid expenses and sundry receivables	-	-		$ (3,900)
Accounts payable and accrued liabilities	21,495	(17,000)	$ 21,518	$ (19,071)
	23,629	(15,219)	$ 26,481	$ (5,524)
Increase (Decrease) in cash	5,255	(11,317)	$ 5,499	$ 4,384
Investing activity				
Short-term investment	-	-	$ -	$ -
Effect of exchange rate changes on cash held in foreign currency	-	-	$ -	$ -
Increase (Decrease) in cash	5,255	(11,317)	$ 5,499	$ 4,384
Cash, beginning of period	11,325	15,780	$ 11,569	$ 80
Cash, end of period	6,070	4,464	$ 6,070	$ 4,464
Interest paid	-	-	$ -	$ -
Income taxes paid	-	-	$ -	$ -

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of changes in equity
for the three months ended September 30, 2015
(Unaudited)
(Expressed in Canadian dollars)

	Share capital Number of shares	Share capital Amount	Share option reserve	Warrants	Accumulated deficit	Total
		$	$	$	$	$
Balance at July 1, 2014	**12,445,563**	**4,972,849**	**242,423**	**-**	**(5,221,209)**	**(5,937)**
Net loss and comprehensive loss	-	-	-	-	3,902	3,902
Balance at September 30, 2014	**12,445,563**	**4,972,849**	**242,423**	**-**	**(5,217,307)**	**(2,035)**
Balance at July 1, 2015	**12,445,563**	**4,972,849**	**242,423**	**-**	**(5,269,648)**	**(54,376)**
Net loss and comprehensive loss	-	-	-	-	(18,374)	(18,374)
Balance at September 30, 2015	**12,445,563**	**4,972,849**	**242,423**	**-**	**(5,288,022)**	**(72,750)**

The accompanying notes are an integral part of these financial statements

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

1. Nature of operations

The primary business of FTI Foodtech International Inc. ("FTI" or "the Company") is the resale of liquidation merchandise. FTI also has a distribution and marketing license with GlobalEx Global to sell its chlorine dioxide water purification tablets, under the trade names OxyTab, SteriTab, PoolTab, AirTab and CleanTab.

The Company's registered address and principal place of business is 156 Abbeywood Trail, Don Mills, Ontario M3B 3B7.

2. Going concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

For the period ended September 30, 2015, the Company reported a loss of $18,374 and the deficit has increased to $5,290,630. The Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations and to obtain additional financing prior to exhausting its working capital (defined as current assets less current liabilities). FTI is concentrating its efforts on a developing the market for the GlobalEx Chlorine Dioxide water purification tablets. There is no assurance that this initiative will be successful and, as a result, there is substantial doubt regarding the going concern assumption.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

3. Summary of significant accounting policies

Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Board of Directors of the Company on November 27, 2015.

Functional Currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below.

3. Summary of significant accounting policies (continued)

Cash and Bank Indebtedness
Cash consist primarily of cash on hand less outstanding cheques, demand deposits with banks, money market accounts and other investments with original maturities of 90 days or less. During the years ended March 31, 2015 and March 31, 2014, the Company's bank accounts fluctuated between positive and negative balances depending on the timing of outstanding items.

Barter Credits
The Company's main business is conducted through the use of Barter Exchanges. Sales and purchases made through the Barter Exchanges result in the receipt and use of Barter Exchange Dollars ("Barter Credits").

Inventories
Inventories comprising finished goods relate to liquidation merchandise, which are purchased for resale and are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of goods held comprises the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Equipment
Equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the declining balance method as follows:

Furniture and fixtures	- 20% per annum
Computer software	- 45% per annum
Computer hardware	- 45% per annum

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Revenue Recognition
Revenue from the resale of liquidation merchandise is recognized at the time of shipment and transfer of title to the customer has occurred (primarily to wholesalers and retailers) and collectability is reasonably assured. Sale of liquidation merchandise through the Barter Exchanges results in the earning of Barter Credits. In the case of returns, the Company's policy is to offer exchanges of merchandise of similar value for goods returned in a timely manner by the customers.

Share-based Payments
The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserve. Options granted to non-employees are measured at fair value of goods and services received unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted. Such expense is also charged to operations at the date the options are fully vested, with an offsetting credit to share option reserve. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in share option reserve, is credited to share capital. Cash received on the exercise of stock options is recorded in share capital and the related compensation included in share option reserve is transferred to share capital to recognize the total consideration for the shares issued.

3. Summary of significant accounting policies (continued)

Warrants
For transactions involving the issuance of warrants, the Company measures these transactions at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. When warrants expire, the fair value associated with the instruments is transferred to share option reserve from warrants.

Income Taxes
The Company accounts for income taxes in accordance with the liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to tax losses carried forward and differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases.
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the date of enactment or substantive enactment. Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Loss per share
Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. For the years ended March 31, 2015 and March 31, 2014, no potential stock options are included in the computation as they are anti-dilutive.

Provisions
Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Accounting Estimates and Judgments
The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Summary of significant accounting policies (continued)

Accounting Estimates and Judgments (continued)

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Critical estimates used in the preparation of these financial statements include, among others, the provision for doubtful accounts receivable, the provision for doubtful barter receivables, deferred income taxes, and the fair value of stock options issued.

Financial Instruments

Financial assets are classified as fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), loans and receivables or available for sale ("AFS"). Financial liabilities are classified as fair value through profit or loss or as other financial liabilities.

The following is a summary of the designations the Company has elected to apply to each of its significant categories of financial instruments outstanding as of September 30, 2015:

Cash	FVTPL
Accounts receivable	Loans and receivables
Bank indebtedness	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities
Advances from related company	Other financial liabilities

Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

A financial asset is classified at FVTPL if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL financial assets are measured at fair value, and changes, are recognized in profit or loss.

Held to Maturity ("HTM")

Financial assets that have a fixed maturity date and which the Company has positive intention and the ability to hold to maturity are classified as held-to-maturity and are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire held-to-maturity financial instruments are included in the underlying balance.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire loans and receivables financial instruments are included in the underlying balance.

Available for Sale ("AFS")

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available forsale are carried at fair value with the changes in fair value recorded in other comprehensive income, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in the net income.

Transaction costs incurred to acquire available-for-sale financial instruments are included in the underlying balance. When there is objective evidence of impairment, the cumulative loss included in accumulated other comprehensive income is removed and recognized in net income. Gains and losses realized on disposal of available-for-sale securities are recognized in net income.

Financial Liabilities at Fair Value Through Profit or Loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of operations and comprehensive loss.

(Unaudited) (Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

Other Financial Liabilities
Other financial liabilities include all financial liabilities other than those classified as at fair value through profit or loss and are recognized at amortized cost using the effective interest method.

4. Accounts receivable

Included in barter receivables are Barter Credits from barter exchanges in the amount of $160,798 (March 31, 2015 - $**157,573**) which are reflected net of a provision of $575 (March 31, 2015 - $575) on barter credits. These amounts can only be realized through the purchase of goods and services through these barter exchanges. Management is satisfied that a sufficient value of transactions will be completed through the barter exchanges to realize the value of this balance in the 2015 fiscal year.

5. Equipment

Balance at September 30, 2015	-	-	-	-
Accumulated depreciation and impairment				
Balance at April 1, 2014				
Depreciation expense				
Disposal of Equipment				
Balance at March 31, 2015	-	-	-	-
Depreciation expense	-	-	-	-
Balance at September 30, 2015	-	-	-	-
Net book amount				
At March 31, 2015	-	-	-	-
At September 30, 2015	-	-	-	-

(Unaudited) (Expressed in Canadian dollars)

6. Capital stock

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued – common shares

During the three months ended September 30, 2015 and fiscal year ended March 31, 2015, the Company had the following capital transactions:

	No. of Shares	Capital stock	Contributed surplus
		$	$
Balance as at March 31, 2014	12,445,563	4,972,849	55,886
Share-based compensation	-	-	-
Balance as at March 31 and Sept 30, 2015	12,445,563	4,972,849	55,886

The Company's Incentive Stock Option Plan, as amended by the Company's Board of Directors and approved by the TSX Venture Exchange in September 2010, is intended to attract, retain and motivate officers, salaried employees and directors who will make important contributions to the success of the Company. The right to exercise an award of options typically vests at the grant date unless otherwise determined by the Board of Directors at the time of grant. Options must be exercised during a period established by the Company, but in any event, within five years of the grant. A maximum of 670,000 common shares may be reserved for issuance pursuant to outstanding options at any one time.

The following table presents information concerning stock options granted by the Company:

	Number of options	average exercise price per share
		$
Balance outstanding - March 31, 2014	550,000	0.10
Granted during the year	-	0.10
Expired during the year	-	0.10
Balance outstanding - March 31 and Sept 30, 2015	550,000	0.10

The following table summarizes information about the Company's outstanding stock options at September 30, 2015.

Exercise price	outstanding	Expiry date	price	exercisable
$			$	
0.10	600,000	October 15, 2015	0.10	550,000

On October 15, 2010, 600,000 stock options were granted to directors of the Company. For purposes of estimating the fair market value under the Black-Scholes option pricing model, the options were valued at $8,765. The following assumptions were used to estimate this figure: expected dividend yield of nil%; expected volatility of 32%; risk-free interest rate of 2.86%; and an expected average life of 5 years. 50,000 stock options were forit when a director resigned from the company.

7. Related party transactions

During the period, a corporation that owns a significant portion of the Company's capital stock provided premises and administrative services for total consideration of $nil (September 30, 2014 - $nil).

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Earnings (loss) per share

Earnings (loss) per share is determined by dividing the net income (loss) for the period by the weighted average number of shares outstanding during the period. The weighted average number of common shares outstanding at September 30, 2015 amounted to 12,445,563 (Note 6(a)) (12,445,563 in September 30, 2014). The calculation of diluted loss per common share excludes all options and warrants for all periods as they were anti-dilutive.

The following table presents the maximum number of shares that would be outstanding if all dilutive instruments were exercised or converted as at,

	Sept 30 2015	Sept 30 2014
	$	$
'eighted average common shares issued and outstanding	**12,445,563**	12,445,563
:ock options outstanding (Note 6(b))	**550,000**	550,000
	12,995,563	12,995,563

9. Financial instruments and risk management

The Company is exposed to financial risks arising from its financial instruments. The financial risks include market risk relating to commodity prices, interest rates and foreign exchange rates.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the amount due from related party is not determinable as there is no comparable market information.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. At Sept 30, 2015, the Company did not have any interest bearing financial assets or liabilities.

Currency risk

The Company's functional currency is the Canadian dollar. The Company did not hold a USD denominated cash account in the current period. The majority of the Company's purchases are transacted in Canadian dollars. There were no trade accounts receivable or accounts payable denominated in a foreign currency at period end. The Company is therefore exposed to changes in currency in the cash account held, but not subject to any significant currency risks from operations.

Commodity prices

The Company's operations do not involve the direct input or output of any commodities and therefore it is not subject to any significant commodity price risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable (other than barter credits).

9. Financial instruments and risk management (continued)

The Company has deposited the cash with reputable financial institutions, from which management believes the risk of loss to be remote. The Company is exposed to credit risk with respect to its accounts receivable.

The carrying value of these instruments represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, available credit under existing banking arrangements and opportunities to issue additional Company shares. The financial obligations of the Company mature in one year or less.

10. Capital management

The Company's structure is comprised of shareholders' equity and working capital. The Company's objectives when managing its capital is to maintain a conservative capital structure which will allow the Company to ensure that it has sufficient cash resources to fund ongoing operations and provide financial flexibility to execute on strategic opportunities. The Company manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust capital spending, issue new shares or issue new debt. There were no changes to the Company's approach to capital management during the period and the Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.