TRIUS INVESTMENTS INC.

Consolidated Financial Statements

December 31, 2015

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DAYE KELLY & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the shareholders of TRIUS INVESTMENTS INC.

We have audited the accompanying consolidated financial statements of TRIUS INVESTMENTS INC., which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of changes in equity, income and comprehensive income, 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 whether the financial statements are free of 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 auditors' 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 auditors consider 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 circumstance, 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of TRIUS INVESTMENTS INC. as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

EPR Daye Kelly + Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick
April 27, 2016

Consolidated Statements of Financial Position

December 31	Note	2015	2014
		(expressed in Canadian dollars)	
ASSETS			
Current assets			
Cash and cash equivalents		**$2,747,183**	$2,148,135
Short-term investments		**-**	250,000
Marketable securities		**773,677**	304,389
Trade and other receivables	6	**246,269**	127,351
Current portion of loan receivable	7	**-**	500,000
Income taxes receivable	22	**28,260**	-
Inventory	8	**11,590**	8,464
Prepaid expenses		**45,854**	49,501
		3,852,833	3,387,840
Non-current assets			
Accrued revenue	9	**2,271**	54,861
Investments in associates	10	**737,987**	872,090
Loan receivable	7	**65,000**	-
Long-term investments	11	**1,352,227**	986,229
Equipment	12	**1,252,772**	1,068,513
Goodwill	13	**64,302**	-
Deferred tax assets	22	**98,240**	62,000
		3,572,799	3,043,693
		$7,425,632	$6,431,533
LIABILITIES			
Current liabilities			
Trade and other payables	14	**$ 292,728**	$ 298,359
Income taxes payable	22	**-**	413,400
Other payables		**-**	24
Unearned revenue	15	**20,406**	19,215
Due to affiliated company	20	**870**	66
Current portion of long-term debt	16	**150,916**	284,054
		464,920	1,015,118
Non-current liabilities			
Long-term debt	16	**343,252**	320,565
Deferred tax liabilities	22	**-**	5,700
		343,252	326,265
		808,172	1,341,383
EQUITY			
SHARE CAPITAL	17	**672,140**	562,140
RESERVES		**662,889**	193,472
RETAINED EARNINGS		**5,282,431**	4,334,538
		6,617,460	5,090,150
		$7,425,632	$6,431,533

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

APPROVED BY THE BOARD

original signed by: Andrew A Burgess

_____________________________ Director

original signed by: R Gordon Wheaton

_____________________________ Director

Consolidated Statements of Changes in Equity

	Note	Share Capital	Equity-settled share-based payments reserve	Foreign currency translation reserve	Retained Earnings	Total Equity
			(expressed in Canadian dollars)			
BALANCE AS AT JANUARY 1, 2014		$ 575,047	$ 11,956	$ 40,079	$3,100,334	$3,727,416
Net income for the year		-	-	-	1,298,112	1,298,112
Other comprehensive income for the year		-	-	141,437	-	141,437
Total comprehensive income for the year		-	-	141,437	1,298,112	1,439,549
Buy-back of common shares		(12,907)	-	-	(63,908)	(76,815)
BALANCE AS AT DECEMBER 31, 2014		562,140	11,956	181,516	4,334,538	5,090,150
Net income for the year		-	-	-	947,893	947,893
Other comprehensive income for the year		-	-	469,417	-	469,417
Total comprehensive income for the year		-	-	469,417	947,893	1,417,310
Shares issued on exercise of stock options	17	110,000	-	-	-	110,000
BALANCE AS AT DECEMBER 31, 2015		$ 672,140	$ 11,956	$ 650,933	$5,282,431	$6,617,460

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

TRIUS INVESTMENTS INC.

Consolidated Statements of Income

For the Years Ended December 31	Note	2015	2014
		(expressed in Canadian dollars)	
REVENUE			
Disposal and recycling services		**$ 3,883,038**	$ 4,069,178
Container sales and rentals		**136,132**	136,775
Other revenue		**45,155**	57,699
		4,064,325	4,263,652
DIRECT EXPENSES			
Goods purchased for resale		**26,951**	17,612
Inventory write-down		**-**	2,898
Net change in inventory		**(3,126)**	1,370
		23,825	21,880
Wages and benefits		**839,498**	833,720
Fleet operating costs		**1,540,289**	1,591,890
		2,403,612	2,447,490
GROSS PROFIT		**1,660,713**	1,816,162
EXPENSES			
Management fees		**202,272**	226,512
Professional fees		**66,761**	42,028
Filing and agency fees		**16,803**	17,595
Administrative costs		**280,285**	293,588
Directors' fees and expenses		**40,773**	49,015
Depreciation		**435,637**	465,102
		1,042,531	1,093,840
INCOME FROM OPERATING ACTIVITIES		**618,182**	722,322
OTHER INCOME (EXPENSES)			
Finance charges and interest		**(29,797)**	(34,042)
Professional fees related to acquisition of subsidiary	25	**(5,000)**	-
Gain on disposal of equipment		**11,283**	45,746
Other gains	23	**18,527**	9,713
Unrealized gain on currency exchange		**29,430**	12,441
Interest income		**5,198**	32,889
Reversal (recognition) of impairment loss	7	**65,000**	(150,000)
Share of associates' profit (loss)		**10,926**	(108,298)
Income received from long-term investments	11	**686,035**	1,420,325
Loss on disposal of investment in associate	10	**(190,211)**	-
		601,391	1,228,774
INCOME BEFORE INCOME TAXES		**1,219,573**	1,951,096
Income taxes	22	**271,680**	652,984
NET INCOME		**$ 947,893**	$ 1,298,112

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

TRIUS INVESTMENTS INC.

Consolidated Statements of Comprehensive Income

For the Years Ended December 31	2015	2014
	(expressed in Canadian dollars)	
NET INCOME	**$ 947,893**	$ 1,298,112
OTHER COMPREHENSIVE INCOME		
Exchange differences on translating foreign operations	**469,417**	141,437
COMPREHENSIVE INCOME	**$ 1,417,310**	$ 1,439,549

	2015	2014
EARNINGS PER SHARE (Note 18)		
Weighted average number of shares outstanding	**10,514,951**	10,359,446
Weighted average number of diluted common shares outstanding	**10,514,951**	11,359,446
Basic net income per share	**$ 0.0901**	$ 0.1253
Diluted net income per share	**$ 0.0901**	$ 0.1143
Basic comprehensive income per share	**$ 0.1348**	$ 0.1390
Diluted comprehensive income per share	**$ 0.1348**	$ 0.1267

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

TRIUS INVESTMENTS INC.

Consolidated Statements of Cash Flows

For the Years Ended December 31	2015	2014
	(expressed in Canadian dollars)	
OPERATING ACTIVITIES		
Cash received from customers	**$ 4,012,245**	$ 4,213,610
Cash paid to suppliers, employees and regulators	**(3,028,903)**	(3,052,166)
Interest paid on debt	**(30,218)**	(34,443)
Income taxes paid	**(755,280)**	(348,013)
Cash paid for directors' fees and expenses	**(40,773)**	(49,015)
	157,071	729,973
FINANCING ACTIVITIES		
Proceeds from long-term debt	**209,350**	460,070
Payment of long-term debt	**(392,208)**	(478,920)
Payment for buy-back of common shares	**-**	(76,815)
Proceeds from exercise of share purchase option	**110,000**	-
	(72,858)	(95,665)
INVESTING ACTIVITIES		
Cash distributions from associates	**87,192**	51,044
Cash distributions from investees	**765,416**	1,491,868
Acquisition of long-term investments	**(175,655)**	(580,050)
Acquisition of subsidiary	**(59,154)**	-
Repayment (issuance) of loan receivable	**500,000**	(150,000)
Proceeds on disposal of investment in associate	**2**	-
Advances from (to) affiliated company	**804**	(2,589)
Purchase of marketable securities	**(461,156)**	(300,000)
Interest from investments	**10,003**	43,279
Proceeds on disposal of equipment	**32,151**	47,731
Purchase of equipment	**(490,733)**	(472,138)
	208,870	129,145
INCREASE IN CASH	**293,083**	763,453
CASH - BEGINNING OF YEAR	**2,398,135**	1,634,682
Effect of exchange rate changes in the balance of cash held in foreign currencies	**55,965**	-
CASH - END OF YEAR	**$ 2,747,183**	$ 2,398,135

REPRESENTED BY:		
Cash	**$2,747,183**	$2,148,135
Short-term investments	**-**	250,000
	$2,747,183	$2,398,135

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

1. CORPORATE INFORMATION

Trius Investments Inc. (the "Company") is a Canadian public company listed on the TSX Venture Exchange under the symbol "TRU". The company is incorporated under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada E3B 5E3.

Trius Investments Inc., through one of its wholly-owned subsidiaries, Trius Disposal Systems Ltd., operates a waste disposal company which includes the residential curbside collection of household waste and recycle materials, light commercial collection, collection of "household junk" and large items not normally collected during weekly residential collection, for transportation to the local regional landfill site. In addition, this subsidiary sells and rents residential garbage containers. On February 28, 2015 this subsidiary acquired a wholly-owned subsidiary, Capital Waste Disposal Ltd., whose principal business is the provision of commercial waste disposal services.

In addition, Trius Investments Inc. has investments in real estate and health care operations in the United States through its other wholly-owned subsidiary, TRU Investments LLC, a State of Nevada Limited Liability Company.

The Company also has Canadian investments in marketable securities.

2. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on April 27, 2016.

3. BASIS OF PREPARATION

Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2015.

Functional and Presentation Currency

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

Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 4. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements have been prepared on the basis of IFRS standards that are effective or available for early adoption on December 31, 2015.

3. BASIS OF PREPARATION (continued)

Application of New and Revised International Financial Reporting Standards

The IASB has issued the following revised standards, which are effective for the year ended December 31, 2015:

- Amendments to IAS 24 – Related Party Transactions

  Amendments to IAS 24 revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify related disclosure requirements. The Company has assessed the impact of the amendment and noted that there is no impact on the Company's consolidated financial statements or the assessment of related parties.

- Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

  Amendments to IAS 16 and IAS 38 clarify how the gross carrying amount and accumulated depreciation are treated when an entity used the revaluation model. The adoption of this amendment did not have an impact on the Company's consolidated financial statements.

- Amendments to IAS 19 – Employee Benefits

  Amendments to IAS 19 reflect significant changes to the recognition and measurement of defined pension expense and termination benefits and expanded disclosure requirements. The Company has assessed that there is no impact on its consolidated financial statements as a result of the amendment.

Accounting Standards, Interpretations and Amendments to Existing Standards That Are Not Yet Effective

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective for the year ended December 31, 2015:

- IFRS 9 - Financial Instruments

  This standard replaces the current IAS 39 - Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The Company intends to apply IFRS 9 in its consolidated financial statements for the period beginning January 1, 2018.

- IFRS 15 - Revenue from Contracts with Customers

  This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue. The core principle in that framework is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Specifically, the standard introduces a 5-step approach to revenue recognition:

  Step 1: Identify the contact(s) with a customer.

  Step 2: Identify the performance obligations in the contract.

  Step 3: Determine the transaction price.

  Step 4: Allocate the transaction price to the performance obligations in the contract.

  Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

3. BASIS OF PREPARATION (continued)

Under IFRS 15, more prescriptive guidance has been added to deal with specific scenarios and extensive disclosures are required. The new standard supersedes the requirements in IAS 11 - Construction Contracts, IAS 18 - Revenue and the related interpretations when it becomes effective for annual periods beginning on or after January 1, 2018.

The Company anticipates that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the consolidated financial statements. However, it is not practicable at this time to provide a reasonable estimate of the effect of IFFS 15 until the Company performs a detailed review.

- IFRS 14 — Regulatory Deferral Accounts, effective for annual periods beginning on or after January 1, 2016
- IAS 19 (Amendments) — Employee Benefits, effective for annual periods beginning on or after January 1, 2016
- IAS 16 (Amendments) — Property, Plant and Equipment, effective for annual periods beginning on or after January 1, 2016
- IAS 38 (Amendments) — Intangible Assets, effective for annual periods beginning on or after January 1, 2016
- IFRS 10 (Amendment) — Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2016
- IFRS 11 (Amendment) — Joint Arrangements, effective for annual periods beginning on or after January 1, 2016
- IAS 27 (Amendment) — Separate Financial Statements, effective for annual periods beginning on or after January 1, 2016
- IAS 28 (Amendment) — Investments in Associates, effective for annual periods beginning on or after January 1, 2016
- IAS 41 (Amendment) — Agriculture, effective for annual periods beginning on or after January 1, 2016
- IFRS 5 (Amendment) — Non-current Assets Held for Sale and Discontinued Operations, effective for annual periods beginning on or after January 1, 2016
- IFRS 7 (Amendment) — Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2016
- IAS 34 (Amendment) — Interim Financial Reporting, effective for annual periods beginning on or after January 1, 2016
- IFRS 12 (Amendment) — Disclosure of Interests in Other Entities beginning on or after January 1, 2016
- IAS 1 (Amendment) — Presentation of Financial Statements beginning on or after January 1, 2016

The Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial positions of the Company. The Company is currently assessing the impact that these standards will have on the disclosures in its consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), together referred to as "the Group". An entity controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests, that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Company reviews the carrying amount of its investment to determine whether an additional impairment loss is required with any additional loss recognized within “share of associate's profit (loss)” in the consolidated statement of comprehensive income.

When the Group no longer has significant influence over an associate, accounting for the investment as an associate ceases. The carrying value of the investment in the associate is adjusted to fair value as at that date and is transferred to another class of financial asset depending on the level of influence retained. The investment is then accounted for under the requirements of the new financial asset designation.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group and liabilities incurred by the Group to the former owner of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities are recognized and measured in accordance with IAS 12 *Income Taxes*.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in profit or loss as a bargain purchase gain.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for each quarterly period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Financial Instruments

The Company does not have any derivative financial instruments.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or cash payments over the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets

All financial assets are initially recorded at fair value and classified into one of the following four categories: fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), loans and receivables or available-for-sale ("AFS"). The classification depends on the nature and purpose of the financial assets and is determined by management at the time of initial recognition. All regular way purchases or sale of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Trade date is the date on which the Company commits to purchase the asset.

1) *Financial assets at FVTPL*

A financial asset is classified as at fair value through profit or loss 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 documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses on remeasurement recognized in profit or loss.

The Company classifies its short-term investments and marketable securities as FVTPL financial assets.

2) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment.

The Company does not have any assets classified as held-to-maturity investments.

3) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's loans and receivables are comprised of accounts receivable and loans receivable.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as AFS or are not classified as 1) FVTPL financial assets, 2) HTM investments or 3) loans and receivables. Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The Company's AFS financial assets are comprised of cash, investments in associates, and long-term investments.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or,
- default or delinquency in interest or principal payments; or,
- it becomes probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

1) *Financial liabilities at FVTPL*

   Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses or remeasurement recognized in profit of loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the statement of comprehensive income.

   The Company does not have any liabilities classified as FVTPL financial liabilities.

2) *Other financial liabilities*

   Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

   The Company's other financial liabilities are comprised of trade and other payables, amounts due to related parties, and long-term debt.

Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts on deposit with banks, term deposits and other similar short-term highly liquid investments with maturities of 90 days or less at the date of issue.

Short-term Investments

Short-term investments consist of guaranteed investment certificates ("GICs") with original terms of one year or less but greater than 90 days. As short-term investments are subject to an insignificant risk of changes in value, the Company includes short-term investments as a component of cash in its Consolidated Statements of Cash Flows. Short-term investments are designated as held for trading financial instruments and are recorded at fair value.

Marketable Securities

Marketable securities consist of mutual fund investments which are designated as held for trading financial instruments and are recorded at fair value. As these investments are subject to changes in value due to market risk, the Company does not include marketable securities as a component of cash in its Statements of Cash Flows.

Inventory

The inventory, comprised of units for sale, is valued at the lower of cost and net realizable value. The cost of inventory is determined on a first-in, first-out basis. Cost includes the cost to purchase goods plus transportation incurred in bringing the inventory to their present location. Net realizable value is the estimated selling price.

Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the asset's purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Expenditures that extend the useful life of an asset are capitalized and depreciated over the remaining useful life of the asset. Similarly, expenditures on major inspections or overhauls required to allow the continued use of the asset are capitalized and depreciated over their useful lives and any remaining carrying amounts of the cost of previous inspections and overhauls are derecognized. Repairs and maintenance expenditures that do not improve or extend productive life are expensed as incurred.

Depreciation of automotive equipment is calculated on a 30% declining balance method or on a straight-line basis over an estimated useful life of two to nine years, which will reduce the cost to estimated residual values over their estimated useful lives. Depreciation of machinery and other equipment is calculated on a straight-line basis over an estimated useful life of five years.

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.

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine if indications of impairment exist. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of the asset or CGU is determined to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the Statement of Comprehensive Loss.

Value in use is determined as the present value of the estimated cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and does not take into account future development.

Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset or CGU in an arm's length transaction between knowledgeable and willing parties. Where there is no evidence of the value that would be obtained in an arm's length transaction, it is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including future development, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate to arrive at a net present value of the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU in prior periods, adjusted for additional amortization which would have been recorded had the amount not been impaired. A reversal of an impairment loss is recognized as a gain in the Statement of Comprehensive Loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance charges and interest expense in the Statement of Income in the period in which they are incurred.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax.

Current Tax

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, which may differ from net income or loss as reported in the statement of Comprehensive Income due to items of income or expenses that are not currently taxable or deductible for tax purposes, and includes any adjustment to tax payable in respect of previous years. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Tax

Deferred income tax is determined using the liability method. Under this method, deferred tax assets or liabilities are determined based on the temporary differences between the carrying amount of assets and liabilities on the financial statements and the respective tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period. To the extent that the Company does not consider it probable that the benefits of a deferred tax asset will be realized, it provides a valuation allowance against the excess.

Deferred income tax is not recognized if it arises from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable income.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period in which the change is substantively enacted.

Current and Deferred Tax for the Year

Current and deferred tax relating to items recognized directly in equity and other comprehensive income are recognized in equity and other comprehensive income, respectively, and not in profit or loss.

Revenue Recognition

Revenue represents the fair value of consideration received and receivable for the sale of goods and services in the ordinary course of the Company's operations. Revenue from services is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the stage of completion of the transaction at the end of the reporting period can be measured reliably, and the costs incurred for the services and the costs to complete the services can be measured reliably. Service revenue is recognized on a percentage of completion basis, pursuant to multi-year fixed price contracts subject to cost escalators. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognized if there are significant uncertainties regarding recovery of the consideration due. Customers are invoiced monthly for fixed price contracts. In all other instances, customers are invoiced at the end of the month for services rendered.

Unearned revenue represents the excess of amounts billed to customers over revenue earned on contracts which have a completion date after the end of the reporting period.

When uncertainty arises as to the collectibility of an amount already included in revenue, the uncollectible amount is initially recognized in allowance for doubtful accounts. Subsequent write-offs or recoveries are credited (debited) against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Dividend, interest and other income from financial assets is recognized when the Company's right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes revenue from associates based on its proportionate interest in the associate's net income. Revenue is recognized on a quarterly basis, translated to the functional currency using average exchange rates during the quarter.

The Company records income from long-term investments as distributions are received or receivable, if not capital or financing receipts.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Earnings per Share

Earnings per share is calculated by dividing earnings by the weighted average number of outstanding common shares for the period. Diluted earnings per share is calculated by adjusting for the dilutive effect of outstanding stock options and warrants using the treasury stock method, which assumes that proceeds from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

In periods when the Company reports a net loss, the effect of potential issuance of common shares under options and warrants is anti-dilutive. As a result, in the periods when the Company reports a net loss, basic and diluted loss per share are the same.

Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 17.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in shareholder's equity from transactions and other events from non-owner sources. Other comprehensive income (loss) includes unrealized gains and losses resulting from the foreign currency translation of financial statements of a self-sustaining foreign subsidiary.

5. USE OF JUDGMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments in the process of applying the Company's accounting policies to determine the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from estimated amounts.

Judgments, assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates, will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The main judgments and estimates made by management in applying accounting policies primarily relate to the following:

Valuation of financial instruments

As described in Note 21, the Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 21 provides detailed information about the key assumptions used in the determination of the fair value of the financial instruments. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Valuation of loans receivable

The Company evaluates its loans receivable for indicators of impairment. Objective evidence of impairment includes significant financial difficulty of the borrower, default or delinquency in interest or principal payments, or it becomes probable the borrower will enter bankruptcy or financial reorganization. Management considers these factors when determining if an impairment loss should be recognized.

Depreciation and valuation of equipment

The amounts recorded for depreciation of equipment are based on estimates of the useful lives of the equipment. Equipment is recorded at cost less related accumulated depreciation.

Inventories

The Company evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against obsolete or damaged inventories and charged to cost of sales. The reversal of any write down of inventory arising from an increase in net realizable value would be recognized as a reduction in cost of sales in the period in which the reversal occurred.

Income taxes

The amounts recorded for deferred income taxes are based on assumptions as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on assumptions by management as to the probability of the Company utilizing certain tax losses in future periods and tax rates applicable to those periods.

Stock-based compensation

The Company has made certain assumptions when determining the fair value of stock option grants, including assumptions about the volatility of the Company's stock. See Note 17 for additional information.

(expressed in Canadian dollars)

6. TRADE AND OTHER RECEIVABLES

	2015	2014
Trade receivables	**$ 166,757**	$ 116,954
Accrued contract revenue (Note 9)	**63,137**	12,042
Allowance for doubtful accounts	**(2,700)**	(2,700)
	227,194	126,296
Other receivables		
Employee receivables	**418**	294
Accrued interest	**-**	761
Equipment loan receivable at 12% - due July 2016 - payments of $2,400 per month plus interest	**18,657**	-
	$ 246,269	$ 127,351

A reconciliation of the beginning and ending carrying amounts of the Company's allowance for doubtful accounts is as follows:

	2015	2014
Balance - beginning of year	**$ (2,700)**	$ (3,200)
Trade receivables written off during the period	**-**	500
Balance - end of year	**$ (2,700)**	$ (2,700)

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognized an allowance for doubtful accounts because management has determined that there has not been a significant change in credit quality and the amounts are still considered recoverable.

	2015	2014
Age of receivables that are past due but not impaired:		
31 - 60 days	**$ 14,852**	$ 4,505
61 - 90 days	**2,634**	981
> 90 days	**6,488**	5,309
	$ 23,974	$ 10,795

The company holds no collateral for any receivable amounts outstanding as at December 31, 2015.

7. LOAN RECEIVABLE

	2015	2014
Loan receivable at 6% - principal and interest due October 2017 - secured by a personal guarantee	**$ 65,000**	$ -
Loan receivable at 12% - payable on demand - secured by a General Security Agreement - maximum limit of $500,000	**-**	650,000
Impairment loss	**-**	(150,000)
	65,000	500,000
Current portion	**-**	500,000
	$ 65,000	$ -

(expressed in Canadian dollars)

7. LOAN RECEIVABLE (continued)

As described in Note 10, the Company sold its interest in the associate, Colt Builders Inc. to an unrelated third party. As part of the arrangement, the Company received $500,000 in cash and a note receivable from the buyer in the amount of $65,000 in settlement of the existing note. As a result, the Company has reversed $65,000 of the $150,000 impairment loss recognized in 2014. In addition, the arrangement resulted in the assignment of proceeds of two lawsuits initiated by Colt Builders Inc. prior to the date of the arrangement. Management believes the lawsuits have merit, and that the Company will receive proceeds from settlement of the lawsuits. Given the inherent uncertainty in the outcome of lawsuits, management has not recorded any consideration from this component of the arrangement. If proceeds are received, they will be recognized first, as a reversal of accumulated impairment losses ($85,000); second, to interest income, up to $104,285 (the amount of foregone interest on the loan, acknowledged by Colt Builders Inc.), and finally, to gain on disposal of investment.

8. INVENTORY

Inventory consists of portable residential garbage disposal containers and are held for resale as part of the Disposal Division. Inventory is valued using the first-in, first-out cost method and is recorded at the lower of cost and net realizable value. Inventory is pledged as security under a general security agreement held by a major Canadian bank.

9. ACCRUED REVENUE

	2015	2014
Accrued revenue from disposal and recycling contracts	**$ 65,408**	$ 66,903
Current portion	**63,137**	12,042
	$ 2,271	$ 54,861

10. INVESTMENTS IN ASSOCIATES

	2015	2014
MV Property, LLC	**$ 504,898**	$ 455,702
RL Property One, LLC	**233,089**	226,151
Colt Builders Inc.	**-**	190,237
	$ 737,987	$ 872,090

MV Property, LLC

	2015	2014
Investment at beginning of year	**$ 455,702**	$ 447,592
Share of profit	**15,347**	13,237
Cash distribution received	**(55,360)**	(46,404)
Foreign currency translation	**89,209**	41,277
Investment in MV Property, LLC	**$ 504,898**	$ 455,702

(expressed in Canadian dollars)

10. INVESTMENTS IN ASSOCIATES (continued)

MV Property, LLC is a limited liability company registered in the State of Nevada that owns an approximately 14,000 square foot, multi-use facility located in Murray, Utah and leases property on a triple net basis to CPF Recovery Ways, LLC. ("Triple net basis" refers to a lease agreement that designates the lessee (the tenant) as being solely responsible for all of the costs (property taxes, building insurance and repairs and maintenance) related to the building being leased in addition to the rent applied under the lease). The Company holds a 24.4% member interest in MV Property, LLC through its wholly-owned foreign subsidiary, TRU Investments LLC. CPF Recovery Ways, LLC is an entity in which a director of the Company was involved in the day to day management, until February 2016.

Summarized financial information in respect to the Company's associate is set out below:

	2015	2014
Total assets	**$ 2,954,600**	$ 2,505,300
Total liabilities	**859,000**	749,600
Net assets	**$ 2,095,600**	$ 1,755,700

	2015	2014
Company's share of net assets of associate	**$ 511,300**	$ 428,400
Total revenue	**$ 349,055**	$ 299,295
Total profit and other comprehensive income for the year	**$ 62,897**	$ 54,250
Company's share of profit and other comprehensive income of associate	**$ 15,347**	$ 13,237

RL Property One, LLC	2015	2014
Investment at beginning of year	**$ 226,151**	$ 212,520
Share of profit (loss)	**(4,421)**	(962)
Cash distribution received	**(31,832)**	(4,641)
Foreign currency translation	**43,191**	19,234
Investment in RL Property One, LLC	**$ 233,089**	$ 226,151

RL Property One, LLC is a limited liability company registered in the State of Utah which began construction of a commercial rental property in Murray, Utah, in November 2013. Construction was completed in July 2014, and in August 2014 the facility was leased on a triple net basis to CPF Recovery Ways, LLC. The Company holds a 20.0% member interest in RL Property One, LLC through its wholly-owned foreign subsidiary, TRU Investments LLC. CPF Recovery Ways, LLC is an entity in which a director of the Company was involved in the day to day management, until February 2016.

(expressed in Canadian dollars)

10. INVESTMENTS IN ASSOCIATES (continued)

Summarized financial information in respect to the Company's associate is set out below:

	2015	2014
Total assets	$ 3,879,800	$ 3,453,900
Total liabilities	2,708,700	2,315,800
Net assets	$ 1,171,100	$ 1,138,100
Company's share of net assets of associate	$ 234,200	$ 227,600
Total revenue	$ 345,900	$ 117,655
Total profit and other comprehensive income (loss) for the year	$ (22,105)	$ (4,810)
Company's share of profit and other comprehensive income (loss) of associate	$ (4,421)	$ (962)

	2015	2014
Colt Builders Inc.		
Investment at beginning of year	$ 190,237	$ 310,810
Share of profit (loss)	-	(120,573)
Sale of investment	(190,237)	-
Investment in Colt Builders Inc.	$ -	$ 190,237

Colt Builders Inc. is incorporated in the Province of Alberta and is engaged in commercial framing. The Company acquired 19.02% of the common shares of Colt Builders Inc. on December 31, 2013. During 2013, the Company had issued a series of advances to Colt Formworks Inc., an associate of the Company at the time. The loan, plus accrued interest, was assumed by Colt Builders Inc. on December 31, 2013. The loan was then converted to preferred shares, for an aggregate price of $310,786, the value of the assumed debt. This investment was considered to be an investment in an associate, as the Company believes it had significant influence over the investee, due to the involvement of two members of the Company's Board of Directors in the day to day management of the associate, as well as shareholdings through another company.

On October 29, 2015, the Company sold all of its interests in Colt Builders Inc. to an arm's length private Alberta corporation, for $500,000 in cash, a $65,000 promissory note and the assignment of the associate's interests in two Alberta law suits. The agreement allocated the consideration as follows: (a) $1 to the sale of the Common Shares; (b) $1 to the sale of the Preferred Shares; and (c) $564,998 to the repayment of the Note Receivable owed by Colt Builders Inc.

11. LONG-TERM INVESTMENTS

	2015	2014
Investment in Recovery Ways LLC	$ -	$ -
Investment in Recovery Ways Mountain View, LLC	172	144
Investment in RW Austin Property, LLC	484,400	406,035
Investment in Recovery Ways Copper Hills, LLC	-	-
Investment in Brunswick Members, LLC	692,000	580,050
Investment in GS Chicago, LLC	175,655	-
	$ 1,352,227	$ 986,229

11. LONG-TERM INVESTMENTS (continued)

	December 31, 2015		December 31, 2014	
	Member Interest	Capital Interest	Member Interest	Capital Interest
Recovery Ways LLC	5.0%	0.0%	5.0%	0.0%
Recovery Ways Mountain View, LLC	3.6%	10.0%	3.6%	10.0%
RW Austin Property, LLC	10.0%	10.0%	10.0%	10.0%
Recovery Ways Copper Hills, LLC	1.5%	1.5%	1.5%	1.5%
Brunswick Members, LLC	11.8%	11.8%	11.8%	11.8%
GS Chicago, LLC	19.2%	19.2%	19.2%	19.2%

Recovery Ways LLC is a holding company that has an equity interest in Recovery Ways Mountain View, LLC, and Recovery Ways Copper Hills, LLC.

RW Austin Properly, LLC leases a building in Murray, Utah to CPF Recovery Ways, LLC, which operates a residential treatment centre.

Brunswick Members, LLC is a holding company which owns 100% of RW Brunswick Property, LLC. The latter company leases a building to CPF Recovery Ways, LLC, which operates a residential treatment centre.

GS Chicago LLC was created with the specific purpose to invest in Chicago Pacific Founders Fund, LP. Chicago Pacific Founders Fund, LP is acquiring a diversified portfolio of holdings in businesses operating in the health care field. The Company's subscription requires a capital commitment of US$500,000. As of December 31, 2015, the Company had US$126,918 advanced toward this commitment.

The investments are recorded in Canadian dollars, at cost. The Company has classified the investments as available-for-sale. In the absence of any objective evidence that the investments are impaired, management has determined that it is appropriate to continue to carry the investments at cost. The carrying amount reflects an adjustment for foreign currency translation gain of $190,343 (2014 - $33,787), which is recorded in Other Comprehensive Income.

Cash distributions received from the investments were:

	2015	2014
Recovery Ways LLC	**$ 428,664**	$ 960,502
Recovery Ways Mountain View, LLC	**124,887**	283,685
RW Austin Property, LLC	**35,801**	30,925
Recovery Ways Copper Hills, LLC	**70,241**	145,213
Brunswick Members, LLC	**26,442**	-
	$ 686,035	$ 1,420,325

In July 2014, the operating assets of Recovery Ways, LLC, Recovery Ways Mountain View, LLC and Recovery Ways Copper Hills, LLC (collectively, the "RW Entities") were sold to a private equity firm (the "Buyer"). The Company received an initial distribution of US$1,181,782 before taxes which represented 80% of the Company's pro-rata share of the price being paid by the Buyer for the operating assets of the RW Entities. The remaining 20%, US$295,445 (Cdn$364,909), was paid to the Company in May 2015.

The Company also received, in April 2015, US$209,600 (Cdn$258,883) which represented the distribution of assets on the wind up of the RW Entities. The RW Entities have been inactive since the sale. In February 2016, the Company received US$10,836 as a final distribution of the assets of the Entities.

(expressed in Canadian dollars)

12. VEHICLES AND EQUIPMENT

	Automotive	Other Equipment	Rental Assets	Total
Cost				
Balance - January 1, 2014	$ 5,062,316	$ 116,601	$ 166,976	**$ 5,345,893**
Additions	460,070	-	12,068	**472,138**
Disposals	(432,422)	-	(31,278)	**(463,700)**
Impairment loss	(350,463)	-	-	**(350,463)**
Balance - December 31, 2014	4,739,501	116,601	147,766	**5,003,868**
Additions	408,264	64,817	17,651	**490,732**
Disposals	-	(24,923)	(20,372)	**(45,295)**
Acquisition through business combination	89,000	66,000	-	**155,000**
Balance - December 31, 2015	$ 5,236,765	$ 222,495	$ 145,045	**$ 5,604,305**

	Automotive	Other Equipment	Rental Assets	Total
Accumulated Depreciation				
Balance - January 1, 2014	$ 4,084,723	$ 79,768	$ 110,048	**$ 4,274,539**
Additions	424,213	19,065	21,822	**465,100**
Disposals	(432,422)	-	(30,161)	**(462,583)**
Impairment loss	(341,701)	-	-	**(341,701)**
Balance - December 31, 2014	3,734,813	98,833	101,709	**3,935,355**
Additions	383,251	31,058	21,328	**435,637**
Disposals	-	-	(19,459)	**(19,459)**
Balance - December 31, 2015	$ 4,118,064	$ 129,891	$ 103,578	**$ 4,351,533**
Carrying Amount				
December 31, 2014	$ 1,004,688	$ 17,768	$ 46,057	**$ 1,068,513**
December 31, 2015	$ 1,118,701	$ 92,604	$ 41,467	**$ 1,252,772**
Carrying value of equipment pledged as security for liabilities	$ 446,878	$ -	$ -	**$ 446,878**

Depreciation is calculated at the following rates:

Automotive	-	30	%	declining balance and 2-9 years straight line
Other equipment	-	5	years	straight line and 20% declining balance
Rental assets	-	5	years	straight line

(expressed in Canadian dollars)

13. GOODWILL

Goodwill arose in the acquisition of Capital Waste Disposal Ltd. on February 28, 2015. Details supporting the calculation of goodwill are included in Note 25, Business Combination.

	2015	2014
Cost		
Balance - beginning of year	**$ -**	$ -
Amount recognized from business combination occurring during year (Note 25)	**64,302**	-
Balance - end of year	**$ 64,302**	$ -

The carrying value of goodwill is allocated to the Capital Waste Disposal cash generating unit, which is part of the Disposal Division operating segment. The recoverable amount of the cash generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by directors covering a five year period. The directors believe that the carrying amount of goodwill does not exceed the projected recoverable amount.

14. TRADE AND OTHER PAYABLES

	2015	2014
Trade payables and accruals	**$ 199,133**	$ 150,355
HST payable	**6,466**	33,272
Employee compensation and related payables	**86,691**	113,873
Accrued interest on long-term debt	**438**	859
	$ 292,728	$ 298,359

The usual credit period taken for trade purchases is between 30 to 60 days. The following is an aged analysis of trade and other payables:

	2015	2014
Less than 1 month	**$ 272,887**	$ 283,396
31 - 60 days	**3,000**	2,533
61 - 90 days	**3,000**	4,017
Over 90 days	**13,841**	8,413
	$ 292,728	$ 298,359

Included in trade and other payables are amounts due to related parties which are disclosed in Note 20.

15. UNEARNED REVENUE

Unearned revenue consists of advanced billings for the rental of residential garbage containers.

(expressed in Canadian dollars)

16. LONG-TERM DEBT

	2015	2014
Conditional sale contract at 5.25% - due April 2015 - payments of $15,095 per month including interest - secured by specific equipment and an assignment of insurance	**$ -**	$ 59,726
Conditional sale agreement at 5.3% - due July 2015 - payments of $7,975 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	**-**	54,850
Conditional sale contract at 4.92% - due November 2015 - payments of $3,390 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	**-**	36,391
Conditional sale contract at 3.74% - due May 2016 - payments of $3,897 per month including interest - secured by a general security agreement over specific equipment and an assignment of insurance	**19,302**	64,421
Conditional sale contract at 3.74% - due February 2019 - payments of $8,419 per month including interest - secured by specific equipment and an assignment of insurance	**301,262**	389,231
Conditional sale contract at 3.43% - due January 2020 - payments of $3,802 per month plus interest - secured by a general security agreement over specific equipment and an assignment of insurance	**173,604**	-
	494,168	604,619
Current portion	**150,916**	284,054
	$ 343,252	$ 320,565

Yearly principal repayments are estimated to be as follows:

2016	$ 150,916
2017	136,492
2018	141,552
2019	61,417
2020	3,791
	$ 494,168

The Company has been approved for a credit facility from a major bank with an approved limit of $2,000,000. Loans authorized under the facility bear interest at bank prime plus 2% and are secured by a General Security Agreement. Leases authorized under the facility bear interest at the bank's published one to five year leasing rate plus a spread to be determined, and are secured by specific lease agreements and an assignment of insurance. As at December 31, 2015, the Company had utilized $494,168 (2014 - $544,893) of the facility.

The credit facility agreement requires the Company to maintain a debt service coverage ratio, as defined in the facility agreement, of 1.25:1. As at December 31, 2015 the Company was in compliance with this requirement.

(expressed in Canadian dollars)

17. SHARE CAPITAL

Authorized

Unlimited number of common shares
Unlimited number of preferred shares issuable in series

Issued

	Number of Shares		Amount
Common shares			
Balance at December 31, 2014	**10,270,841**	$	562,140
Shares issued on exercise of stock options	**1,000,000**	$	110,000
Balance at December 31, 2015	**11,270,841**	$	672,140

Incentive Stock Option Plan

The Company's incentive stock option plan permits the grant of stock options to employees, directors, officers and consultants of the Company. The Board of Directors designates eligible participants to be included under the plan and designates the number of options and share price of the options, subject to applicable securities laws and stock exchange regulations. As at December 31, 2015, under this plan, 1,127,084 common shares were reserved for stock options.

On September 6, 2011 the Company granted 1,000,000 stock options to directors and officers with an exercise price of $0.11. The fair value of each option granted was determined using the Black-Scholes option pricing model using a risk free interest rate of 2.30%, the expected volatility in the market price of the shares was 1.20% and the expected life was 5 years. The options were set to expire on September 6, 2016. During 2015 the options were exercised at a price of $0.11 per options. Cash received from these options exercised was $110,000.

The Company is following the fair value based method of accounting for stock options.

The following reconciles the share options outstanding at the beginning and end of the year.

	2015			2014		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance - beginning of year	**1,000,000**	**$**	**0.11**	1,000,000	$	0.11
Exercised during the year	**(1,000,000)**		**0.11**	-		-
Balance - end of year	**-**	**$**	**-**	1,000,000	$	0.11

18. EARNINGS PER SHARE

The basic share issue is calculated as follows:

	2015	2014
Common shares issued and outstanding - beginning of year	**10,270,841**	10,506,674
Common shares issued during the year	**1,000,000**	-
Common shares canceled during the year	**-**	(235,833)
Common shares issued and outstanding - end of the year	**11,270,841**	10,270,841
Weighted average of common shares issued and outstanding	**10,514,951**	10,359,446

The basic earnings per common share is calculated by dividing the net income for each year by the number of basic common shares outstanding, on a weighted average basis.

The diluted share issue is calculated as follows:

	2015	2014
Weighted average number of basic common shares issued and outstanding - end of year	**10,514,951**	10,359,446
Dilutive effect		
Stock options	**-**	1,000,000
Weighted average number of diluted common shares issued and outstanding - end of the year	**10,514,951**	11,359,446

The diluted earnings per common share is calculated by dividing the net income for each period by the number of diluted common shares outstanding, on a weighted average basis.

19. OPERATING SEGMENTS

The Company's reportable segments are the Disposal Division, which includes the operation of the wholly-owned subsidiary, Trius Disposal Systems Ltd. and its subsidiary, Capital Waste Disposal Ltd., and the Investing Division, which includes the operations of the wholly-owned subsidiary, TRU Investments LLC. All other investing and management activity is included under Corporate.

The Disposal Division operates two waste disposal companies in Fredericton, New Brunswick, Canada, which includes the residential curbside collection of household waste and recycle materials and collection of commercial waste for transportation to the local municipal landfill site. In addition, this subsidiary sells and rents residential garbage containers.

The Investing (Canada) Division comprises the Company's Canadian investments in marketable securities.

The (US) Investing Division is incorporated in the State of Nevada, USA. The Division operates in the State of Utah, and its primary US activity is investing in other entities which manage real estate used in health care operations in the United States. Segment information for this Division is reported in Canadian dollars, the presentation currency.

(expressed in Canadian dollars)

19. OPERATING SEGMENTS (continued)

Corporate Division includes the costs of head office administration, other corporate costs and residual assets and liabilities.

Any intra-group transactions have been eliminated from the following reconciliations.

The following is an analysis of the Company's assets and liabilities by reportable segment:

	2015	2014
Current assets		
Disposal	**$ 1,822,511**	$ 1,383,874
Investing (Canada)	**773,677**	1,054,389
Investing (US)	**951,079**	897,077
Corporate	**305,566**	52,500
Total current assets	**$ 3,852,833**	$ 3,387,840
Investments in associates		
Investing (Canada)	**$ -**	$ 190,237
Investing (US)	**737,987**	681,853
Total investments in associates	**$ 737,987**	$ 872,090
Long-term investments		
Investing (US)	**$ 1,352,227**	$ 986,229
Assets		
Disposal	**$ 3,154,257**	$ 2,507,248
Investing (Canada)	**838,677**	1,244,626
Investing (US)	**3,055,132**	2,589,159
Corporate	**377,566**	90,500
Total assets	**$ 7,425,632**	$ 6,431,533
Liabilities		
Disposal	**$ 739,116**	$ 900,625
Investing (US)	**-**	376,175
Corporate	**69,056**	64,583
Total liabilities	**$ 808,172**	$ 1,341,383

(expressed in Canadian dollars)

19. OPERATING SEGMENTS (continued)

The following is an analysis of the Company's revenues and results from operations by reportable segment:

	2015	2014
Revenue		
Disposal	**$ 4,064,325**	$ 4,263,652
Gross Profit		
Disposal	**$ 1,660,713**	$ 1,816,162
Expenses		
Disposal	**$ 836,966**	$ 861,164
Investing (US)	**7,919**	3,864
Corporate	**197,646**	228,812
Total Expenses	**$ 1,042,531**	$ 1,093,840
Other income (expenses)		
Disposal	**$ (20,160)**	$ 12,458
Investing (Canada)	**(106,684)**	(230,408)
Investing (US)	**698,782**	1,434,283
Corporate	**29,453**	12,441
Total other income (expenses)	**$ 601,391**	$ 1,228,774

20. RELATED PARTY TRANSACTIONS

In the course of regular business activities, the Company has routine transactions with related parties. Such transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties, and are further described below. The terms and conditions of the transactions with key management personnel and other related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Trading transactions

The following entities transacted with the Company in the reporting period. The transactions included vehicle fuel purchases, vehicle rentals and vehicle repairs and maintenance charged to the Company at market prices. In addition, during the course of business, the managing company (Trius Inc.) may collect money or pay liabilities on behalf of the Company.

The aggregate value of transactions and outstanding balances relating to these transactions were as follows:

	Sales		Purchases	
	December 31 2015	December 31 2014	**December 31 2015**	December 31 2014
Trius Inc.	**$ -**	$ -	**$ 1,260,011**	$ 1,317,150
Trius Leasing Ltd.	**23,956**	57,742	**3,819**	2,501
	$ 23,956	$ 57,742	**$ 1,263,830**	$ 1,319,651

(expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS (continued)

		2015		2014
Owed by related parties:				
Trius Leasing Ltd.	**$**	**90**	$	97
Owed to related parties:				
Trius Inc.	**$**	**128,125**	$	94,422

The outstanding balances from these transactions are included on the balance sheet as follows:

- $90 (2014 - $97) recorded in trade and other receivables
- $130,038 (2014 - $94,356) recorded in trade and other payables
- $870 (2014 - $66) recorded as due to related parties, a current liability

The amounts outstanding are unsecured and will be settled in cash. No guarantees related to these balances have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

		2015		2014
Short-term benefits	**$**	**212,608**	$	240,330

The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

Investing Activities

Associates and other investees located in the United States are also associated with a current director. In addition, the Associates, MV Property LLC and RL Property One, LLC, and Investees, RW Austin Property, LLC and Brunswick Members, LLC, derive rental revenues from properties which are leased to CPF Recovery Ways, LLC. CPF Recovery Ways, LLC is an entity in which a director of the Company was involved in the day to day management, until February 2016.

Loans receivable

At the end of the prior year, the Company had an outstanding loan receivable from Colt Builders Inc. as described in Note 7. The loan was paid in full on October 29, 2015. Interest of $0 (2014 - $30,452) is included in Interest Income on the Consolidated Statements of Income.

(expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS (continued)

Other related party transactions

Pursuant to a management agreement, management fees of $202,272 (2014 - $226,512) were paid to a company under common control.

Management fees were comprised of:

	2015	2014
General and administrative services	**$ 132,062**	$ 138,534
Premises rent	**48,850**	51,916
Management services	**21,360**	36,062
	$ 202,272	$ 226,512

21. FINANCIAL INSTRUMENTS

Capital Management

The Company's objectives when managing capital are to maintain adequate liquidity and to maintain financial flexibility in order to have access to capital in the event of future requirements. The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's net capital is comprised of working capital, interest bearing debt and shareholder's equity. The Company monitors its net working capital, which is calculated as follows:

	2015	2014
Current assets	**$ 3,852,833**	$ 3,387,840
Current liabilities	**464,920**	1,015,118
Net working capital	**$ 3,387,913**	$ 2,372,722

The Company's credit facility agreement with a major bank includes a Debt Service Ratio that requires the Company to maintain EBITDA (net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization expense) to interest expense plus the current portion of long-term debt and capital leases calculated on an annual basis of 1.25:1. As at December 31, 2015, the Company was in compliance with this covenant.

The Company prepares annual and updated budgets which are approved by the Board of Directors.

Categories of Financial Instruments

	2015	2014
Financial assets at FVTPL		
Other short-term investments	**$ -**	$ 250,000
Marketable securities	**773,677**	304,389
	$ 773,677	$ 554,389

(expressed in Canadian dollars)

21. FINANCIAL INSTRUMENTS (continued)

	2015	2014
Loans and receivables		
Trade and other receivables	**$ 246,269**	$ 127,351
Loans receivable	**65,000**	-
Due from related party	**-**	500,000
	$ 311,269	$ 627,351
Available for sale		
Cash and cash equivalents	**$ 2,747,183**	$ 2,148,135
Investments in associates	**737,987**	872,090
Long-term investments	**1,352,227**	986,229
	$ 4,837,397	$ 4,006,454

Fair Value

Fair value is defined as the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing partners in an arm's length transaction. The following table provides the basis of analysis for those financial instruments of the Company which are measured subsequent to their initial recognition at fair value. This analysis is based on the degree to which the fair value is observable, and financial instruments are grouped into categories accordingly:

- Level 1 financial instruments are those which can be valued based on quoted market prices (unadjusted) in active markets for identical assets or liabilities. As at December 31, 2015, the Company's Level 1 financial instruments included marketable securities.

- Level 2 financial instruments are those which can be valued based on inputs other than quoted active market prices, using techniques that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). As at December 31, 2015, the Company did not have any Level 2 financial instruments.

- Level 3 financial instruments are those derived from valuation techniques using inputs for the asset or liability that are not based on observable market data. As at December 31, 2015, the Company's Level 3 financial instruments included investments in associates and long-term investments.

	Financial assets at fair value			
	Level 1	Level 2	Level 3	**December 31 2015**
Financial assets at FVTPL				
Held for trading				
Marketable securities	$ 773,677	$ -	$ -	**$ 773,677**
Available-for-sale financial assets				
Investments in associates	-	-	737,987	**737,987**
Long-term investments	-	-	1,352,227	**1,352,227**
	$ 773,677	$ -	$ 2,090,214	**$ 2,863,891**

(expressed in Canadian dollars)

21. FINANCIAL INSTRUMENTS (continued)

	Financial assets at fair value			
	Level 1	Level 2	Level 3	December 31 2014
Financial assets at FVTPL				
Held for trading				
Short-term investments	$ -	$ 250,000	$ -	$ 250,000
Marketable securities	304,389	-	-	304,389
Available-for-sale financial assets				
Investments in associates	-	-	872,090	872,090
Long-term investments	-	-	986,229	986,229
	$ 304,389	$ 250,000	$ 1,858,319	$ 2,412,708

During the year, the Company reinvested maturing guaranteed investment certificates (Level 2) into marketable securities (Level 1), with the objective to earn an improved rate of return.

The carrying values of cash and cash equivalents, trade and other receivables, loan receivable, trade and other payables, and amounts due to and from related parties approximate their fair values on a discounted cash flow basis because of the short-term maturity of those instruments.

When reviewing long term investments and investments in associates for indicators of impairment, management includes consideration of the future cash flows of the underlying operations and their status as a going concern. In addition, management receives and reviews regular financial statements from the investees and associates. Management's most recent review has not indicated any concerns.

The Company has classified the long-term investments as available-for-sale. In the absence of any objective indicators of impairment, management has determined that the fair value of the long-term investments is their carrying value.

The Company has significant influence but not control in the investments in associates, and accounts for them using the equity method. In the absence of any objective indicators of impairment, management has determined that the fair value of investments in associates is their carrying value.

The carrying value of long-term debt approximates fair value on a discounted cash flow basis because these obligations bear interest at market rates.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company's credit risk is primarily related to its trade receivables and loans receivable. The amounts disclosed in the balance sheet are net of allowances for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment. The Company believes that the credit risk of accounts receivable is limited due to the following reasons:

- The Company has established a comprehensive credit policy. This includes establishment of credit terms with new customers and the continued monitoring of existing customers.

- The majority of the Company's customers are provincial and municipal government authorities.

21. FINANCIAL INSTRUMENTS (continued)

Additional details of accounts receivable and the related allowance for doubtful accounts is included in Note 6.

The credit risk on liquid funds in limited because the counterpart are banks with high credit ratings.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its accounts receivable and other liquid assets.

The Company manages its exposure to credit risk related to loans receivable by requiring debtors to provide collateral against the loans receivable. As at December 31, 2015, the existing loan receivable was secured by a personal guarantee.

Concentration of Credit Risk

The Company derives significant revenue in the Disposal Division from three major customers which generate approximately 76% (2014 - 78%) of revenue. Given the nature of the customers, and the Company's history with them, management does not believe it is exposed to significant credit risk with respect to these customers.

The properties owned or controlled by Associates (MV Property, LLC and RL Property One, LLC) and Investees (RW Austin Property, LLC and Brunswick Members, LLC) are leased to a single company, CPF Recovery Ways, LLC. All leases are for a ten year period on a triple-net basis. CPF Recovery Ways, LLC is an entity in which a director of the Company was involved in the day to day management, until February 2016.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Although the Company does not maintain a revolving credit facility, it has sufficient funds available to meet its current and foreseeable financial requirements.

The Statement of Financial Position includes $292,728 in accounts payable and accrued liabilities all due within one year or less. The repayment schedule for long-term debt credit facilities is included in Note 16.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Company is exposed to interest rate, currency and other price risks.

a) *Interest Rate Risk*

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as all of its long-term debt bears interest at fixed rates for the full term of each debt instrument.

Cash and cash equivalents and short-term investments have limited interest rate risk due to their short-term nature. Loans and receivables have interest rates which are in effect for the duration of the loan agreement.

21. FINANCIAL INSTRUMENTS (continued)

b) *Currency Risk*

The Company generates certain income, incurs expenses, and holds a number of investments and subsidiaries that are denominated in United States dollars ("USD"). As a result, the Company's earnings, cash flows and other comprehensive income (loss) are exposed to fluctuations in USD exchange rates. The Company does not engage in any foreign currency hedging at this time.

c) *Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company's exposure to other price risks is related to its marketable securities, comprised of a mutual fund which is actively traded in the Canadian market. The risk of a change in fair value of the mutual fund is related to general market conditions which would affect similar financial instruments.

If the market price of the mutual fund were to increase/decrease by 5%, the Company's net income and other comprehensive income would increase/decrease by $39,000 (2014 - $15,000).

The Company's USD assets and liabilities are as follows:

	2015	2014
Cash and cash equivalents	**$ 676,459**	$ 773,275
Investment in associates	**533,227**	587,753
Long-term investments	**977,042**	850,124
Deferred tax assets	**10,000**	21,000
Income taxes (receivable) payable	**(3,068)**	324,261
Net Exposure	**$ 2,193,660**	$ 2,556,413

The table below depicts the ending USD to Canadian dollar exchange rate as at December 31:

	2015	2014
USD per one Canadian dollar	**$ 1.3840**	$ 1.1601

The table below depicts the impact to comprehensive income of varying the above USD to Canadian dollar exchange rate by one cent.

	Decrease / (increase) in comprehensive income for the year ended **2015**	Decrease / (increase) in comprehensive income for the year ended 2014
1 cent strengthening in the Canadian dollar	**$ (21,937)**	$ (25,564)
1 cent weakening in the Canadian dollar	**21,937**	25,564

(expressed in Canadian dollars)

22. TAXES

The Company is subject to Canadian federal and provincial tax for the estimated taxable income for the years ended December 31, 2015 and 2014 at a rate of 26% and 25%, respectively.

The tax expense for the Company is reconciled to the net income for the period per the Statement of Comprehensive Income as follows:

		2015		2014
Income from operations before tax		**$ 1,219,573**		$ 1,951,096
Income tax using the statutory tax rate	26.0%	**$ 317,089**	25.0%	$ 487,774
Non-deductible expenses	0.0%	**730**	2.0%	38,615
Origination and reversal of temporary differences	1.8%	**21,775**	-2.3%	(45,904)
Effect of difference in provincial tax rates	0.6%	**6,997**	0.9%	17,398
Effect of different tax rates of subsidiary operating in other jurisdiction	1.4%	**17,311**	6.5%	127,646
Effect of income (loss) that is taxed in foreign jurisdiction	-6.2%	**(75,770)**	0.0%	(388)
Difference between prior year's estimate and actual	1.4%	**16,843**	0.0%	-
Effect of loss (income) that is exempt from taxation	0.0%	**(361)**	1.5%	30,143
Current tax expense for the year	25.0%	**304,614**	33.6%	655,284
Deferred tax				
Origination and reversal of temporary differences	-2.7%	**(32,934)**	-0.1%	(2,300)
Net tax expense for the year	22.3%	**$ 271,680**	33.5%	$ 652,984

The components of the Company's recognized deferred income tax assets (liabilities) are as follows:

	2015	2014
Deferred tax assets		
Interest not deductible until paid	**$ 13,840**	$ 24,000
Vehicles and equipment	**12,400**	-
Capital losses	**53,500**	18,700
Undeducted costs	**33,500**	32,800
Deferred tax liabilities		
Share issue costs	**(15,000)**	(13,500)
Vehicles and equipment	**-**	(5,700)
	$ 98,240	$ 56,300

(expressed in Canadian dollars)

23. OTHER GAINS

	2015	2014
Net gain on financial assets designated as at FVTPL:		
Interest and other distributions	**$ 10,395**	$ 5,324
Unrealized gain on marketable securities	**8,132**	4,389
	$ 18,527	$ 9,713

Income related to financial assets that are not classified as at FVTPL is included in Interest on the Statements of Comprehensive Income.

24. COMMITMENT

As described in Note 11, the Company has made a capital commitment to invest US$500,000 in GS Chicago, LLC. As of December 31, 2015, the Company had advanced US$126,918 toward this commitment. In the period between the date of these financial statements and their issuance, the Company has not advanced additional funds, but has received cash calls amounting to US$9,615.

25. BUSINESS COMBINATION

On February 28, 2015, the Company acquired 100% of the common shares of Capital Waste Disposal Ltd. ("Capital"), which represents 100% of the voting equity interest of the acquired company. Capital's primary business activity is the provision of waste disposal services for commercial customers. The acquisition provided the Company with an opportunity to expand its services in the commercial sector.

In consideration for the shares, the Company paid cash of $62,000. Acquisition related costs were $5,000, and are recognized as an expense in profit or loss, within the "Other Income (Expenses)" line item.

Fair value of assets acquired and liabilities recognized at the date of acquisition

Current assets	
Cash and cash equivalents	$ 2,846
Trade receivables	13,818
Non-current assets	
Vehicles and equipment	155,000
Deferred tax asset	12,600
Current liabilities	
Trade and other payables	(6,270)
Amount due to related party	(95,288)
Non-current liabilities	
Equipment loan	(72,408)
Deferred tax liability	(12,600)
Fair value of identified net assets (liabilities) acquired	$ (2,302)

None of the trade receivables acquired were contractual amounts receivable.

(expressed in Canadian dollars)

25. BUSINESS COMBINATION (continued)

Goodwill arising on acquisition

Consideration transferred	$	62,000
Less: Promissory note acquired		-
Add: Fair value of identified net liabilities acquired		2,302
Goodwill arising on acquisition	$	64,302

Goodwill arose in the acquisition because the consideration paid effectively included amounts in relation to the benefits of expected revenue growth and future market development especially in the area of Waste Disposal Services for commercial customs, an area in which the Company has provided limited services to date. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiary

Consideration paid in cash	$	62,000
Less: Cash and cash equivalent balances acquired		(2,846)
	$	59,154

Since the acquisition, the acquired company has contributed a total of $123,335 to the Company's revenues from disposal and recycling services, and ($12,968) to net income.

Management estimates that, if the acquisition had occurred on January 1, 2015, additional revenue of $18,000 and additional net income would have been ($5,500).

26. SUBSEQUENT EVENTS

a) *Distributions from Long-Term Investments*

In the period between December 31, 2015 and the issuance of these financial statements (April 27, 2016), the Company has received cash distributions from its long-term investments in the amount of US$10,836. This represented a final distribution of the assets of the assets of the RW entities.

b) *Sale of Operating Segment*

On March 28, 2016, the Company announced it had sold it’s waste disposal business in an arm’s-length transaction. The closing date of the sale was March 31, 2016.

As at December 31, 2015, the Company did not consider the sale of the business to be highly probable,for the reasons noted below. As a result, the Company continued to recognize depreciation of the related assets up to that date, and did not reclassify the related assets and liabilities as held for sale at the end of the reporting period.

26. SUBSEQUENT EVENTS (continued)

In it's determination that disposition of the waste disposal division was not highly probable as at December 31, 2015, the Company considered a number of factors, including:

- The Company was not actively seeking a buyer for the division.
- The Company had recently acquired a subsidiary, Capital Waste Disposal Ltd., and was actively planning a significant expansion of its operations.
- The offer was unsolicited.
- A Letter of Intent was signed on December 10, 2015, and due to expire on December 31, 2015. The buyer's due diligence procedures had just begun by December 31, 2015.
- Formal approval of the sale was required from the Company's major customers. The early stage of the negotiations did not allow the Company to pursue these approvals by December 31, 2015. The approval by customers was a critical factor in negotiations, and the Company was not confident that these approvals could be obtained.

The sale includes all the assets used in the waste disposal operations of the Company and its subsidiary, including inventory and vehicles and equipment. Other assets and liabilities which will be derecognized include accrued and unearned revenues, prepaid expenses, and deferred tax assets. The Company will use the proceeds from the sale to settle all outstanding long-term debt.

The after tax proceeds from the sale will be approximately $3,771,000, and the Company expects to realize a gain on the sale, after applicable taxes, of approximately $2,964,000.