NeutriSci International Inc.

Condensed Consolidated Interim Financial Statements

(Unaudited -- Prepared by Management)

(Expressed in United States Dollars)

As at and for the twelve months ended September 30, 2014

NeutriSci International Inc.

(the "Company" or "NeutriSci")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the twelve months ended September 30, 2014

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NeutriSci International Inc.

Consolidated Statements of Financial Position

(expressed in US$)

(Unaudited -- Prepared by Management)

As at,	Note	**September 30, 2014 $**	**September 30, 2013 $**
ASSETS			
Current assets			
Cash		151	594,377
Accounts receivable		232,599	41,766
Employee receivables		-	100,143
Inventory		3,244,902	3,324,257
Prepaid expenses		73,175	85,799
Goods and services tax receivable		42,623	23,116
Total current assets		3,593,450	4,169,458
Property and equipment		28,459	32,088
Goodwill		2,897,167	2,897,167
		6,519,076	7,098,713
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		1,179,085	724,821
Consulting fees payable	9	148,239	350,588
Due to related parties	9	53,240	78,068
Notes payable	8	2,478,613	2,050,788
Total current liabilities		3,859,177	3,204,265
Shareholders' equity (deficit)			
Share capital	10	12,311,752	10,042,078
Share subscriptions		-	450,651
Warrants	10	502	238,891
Contributed surplus		1,000,216	2,065,575
Deficit		(10,652,571)	(8,902,747)
		2,659,899	3,894,448
		6,519,076	7,098,713

Going concern (note 2)

Commitments (note13)

Approved on behalf of the Board:

"Glen Rehman"

Director

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

NeutriSci International Inc.

Consolidated Statements of Comprehensive Loss

(expressed in US$)

(Unaudited -- Prepared by Management)

	Note	Three Months ended September 30, 2014 $	Three Months ended September 30, 2013 $	Year ended September 30, 2014 $	Year ended September 30, 2013 $
Sales		25,642	4,782	249,420	41,766
Cost of sales		(701)	4,367	88,793	27,977
Gross margin		26,343	415	160,627	13,789
Expenses					
Share based payment	10	-	-	215,977	-
Interest expense		130,515	-	313,602	-
Accretion on note payable	8	-	90,568	281,546	185,192
Consulting fees	9	86,570	45,300	378,612	132,875
Travel and automotive		(1,906)	20,121	70,295	58,358
Salaries and related benefits		29,068	112,969	155,747	220,715
Advertising and promotion		4,499	66,492	113,901	108,082
Inventory storage and handling		10,581	25,966	64,883	25,966
Telephone and utilities		5,629	8,674	26,168	23,955
Rent		7,056	(18,092)	31,456	39,276
Meals and entertainment		5,803	(13,216)	33,585	-
Office and miscellaneous		5,846	13,789	53,212	65,433
Professional fees		24,279	29,280	144,474	61,299
Amortization		2,997	2,998	10,082	11,991
Share-based compensation	10	-	121,177	41,073	1,425,427
Property taxes		-	4,998	1,138	4,998
Business acquisition costs		-	34,191	-	134,191
Revaluation of note payable	8	-	-	(57,334)	-
Unrealized loss on foreign exchange translation		24	478	32,035	(1,447)
Loss on disposal of assets		-	-	-	7,731
		310,960	545,693	1,910,451	2,504,042
Net and comprehensive loss		(284,617)	(545,278)	(1,749,824)	(2,490,253)
Basic and diluted net loss per share		(0.02)	(0.07)	(0.15)	(0.31)

NeutriSci International Inc.

Consolidated Statements of Changes in Equity

(expressed in US$)

(Unaudited -- Prepared by Management)

	Number of Class A shares	Number of Class B shares	Series 1 Preferred Shares	Share capital	Share subscriptions	Contributed surplus	Warrants	Accumulated deficit	Total equity
				$	$	$	$	$	$
Balance, September 30, 2012	4,817,780	2,227,500	-	3,997,442	158,444	761,325	846,810	(6,412,495)	(648,474)
Class A - Issuance of shares	2,865,000	-	-	2,675,032	(158,444)	-	(846,810)	-	1,669,778
Class A – Share subscriptions	-	-	-	-	450,651	-	-	-	450,651
Class A - Share options granted	-	-	-	-	-	1,304,250	-	-	1,304,250
Class A - Warrants exercised	900,000	-	-	846,897	-	-	-	-	846,897
Class A - Warrants issued	-	-	-	-	-	-	238,891	-	238,891
Series 1 Preferred Shares	-	-	669,708	2,678,832	-	-	-	-	2,678,832
Note payable converted	100,000	-	-	94,960	-	-	-	-	94,960
Share issue costs	-	-	-	(251,085)	-	-	-	-	(251,085)
Net loss and comprehensive loss	-	-	-	-	-	-	-	(2,490,252)	(2,490,252)
Balance, September 30, 2013	8,682,780	2,227,500	669,708	10,042,078	450,651	2,065,575	238,891	(8,902,747)	3,894,448
Class A - Issuance of shares	727,794	-	-	673,798	(450,651)	-	-	-	223,147
Class A – Shares for services	34,000	-	-	34,494	-	-	-	-	34,494
Class A – Shares for services	98,668	-	-	98,668	-	-	-	-	98,668
Class A - Share options granted	-	-	-	-	-	40,571	-	-	40,571
Class A - Share options exercised	1,450,000	-	-	1,462,714	-	(1,344,821)	-	-	117,893
Class A - Warrants issued	-	-	-	-	-	-	502	-	502
Expiration of Warrants	-	-	-	-	-	238,891	(238,891)	-	-
Series 1 Preferred Shares	-	-	950	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	-	-	(1,749,824)	(1,749,824)
Balance, September 30, 2014	10,993,242	2,227,500	670,658	12,311,752	-	1,000,216	502	(10,652,571)	2,659,899

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

NeutriSci International Inc.

Consolidated Statements of Cash Flows

(expressed in US$)

(Unaudited -- Prepared by Management)

	Note	Three months ended September 30, 2014 $	Three months ended September 30, 2013 $	Year ended September 30, 2014 $	Year ended September 30, 2013 $
Operating activities					
Loss		(284,617)	(545,278)	(1,749,824)	(2,490,253)
Items not affecting cash					
Accretion on note payable	8	-	90,568	281,546	185,192
Revaluation of note payable	8	-	-	(57,334)	-
Amortization		2,997	2,998	10,082	11,991
Share-based compensation	10	-	121,177	41,073	1,425,427
Loss on disposal of assets		-	-	-	7,731
Share-based payments		-	-	215,977	-
Change in non-cash working capital items	14	122,100	(192,836)	163,318	(152,195)
		(159,520)	(523,371)	(1,095,162)	(1,012,107)
Investing activities					
Purchase of property and equipment		-	-	(6,454)	(702)
Purchase Chromadex assets		-	(250,000)	-	(1,000,000)
		-	(250,000)	(6,454)	(1,000,702)
Financing activities					
Proceeds from issuance of Class A shares		-	1,640,142	7,171	2,516,675
Notes payable	8	45,760	(130,040)	203,613	(225,000)
Share issue costs		-	(109,087)	-	(133,370)
Share subscriptions		-	(55,095)	-	450,651
Change in non-cash working capital items		128,318	-	296,606	-
		174,078	1,345,920	507,390	2,608,956
Change in cash		14,558	572,549	(594,226)	596,147
Cash, beginning of period		(14,407)	21,828	594,377	(1,770)
Cash, end of period		151	594,377	151	594,377

1. Nature of operations

NeutriSci International Inc. (the "Company" or “NeutriSci”) is a private company incorporated under the laws of the Province of Alberta on September 9, 2009, with its registered office at 4015 - 1st Street SE, Calgary, Alberta T2G 4X7.

NeutriSci is focused on market development for nutraceutical products.

On March 6, 2014, NeutriSci and Disani Capital Corp. (“Disani”) entered into a definitive amalgamation agreement, pursuant to which the current shareholders of NeutriSci will be issued 27,035,735 Units of Disani, on the basis of 1.7 Units for each one (1) NeutriSci common share held immediately prior to the acquisition. Each Unit will consist of 0.15 of one post-consolidated Disani common share, 0.25 of one Disani Series A Preferred Share, 0.30 of one Disani Series B Preferred Share, and 0.30 of one Disani Series C Preferred Share. Each whole Disani Series A, B and C Preferred Share will automatically convert to post-consolidated common shares of Disani, on the date which is three, six, and nine months following the closing of the transaction, respectively.

The Business Combination will constitute a reverse takeover for Disani under the policies of the TSX Venture Exchange (the "Exchange"). Closing of the Business Combination is subject to a number of conditions including the entering into of definitive agreements, the consolidation of Disani's existing share capital on a three (3) for one (1) basis, the exercise of all outstanding warrants of Disani, the completion of a financing for proceeds of up to $4,200,000, receipt of all required shareholder, regulatory and third party consents, Exchange approval, and satisfaction of other customary closing conditions. On October 24, 2014, the Exchange granted conditional acceptance of the acquisition and on November 26, 2014 the acquisition completed (see Note 15).

2. Going concern

These consolidated financial statements (the “Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business for the foreseeable future rather than through a process of forced liquidation. The Financial Statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to continue as a going concern and these adjustments and reclassifications could be material.

For the year ended September 30, 2014, the Company had a cash flow deficit of $1,095,162 from operating activities (September 30, 2013 – $1,012,107) and had a net loss of $1,749,824 (September 30, 2013 – loss of $2,490,253). Continuing business as a going concern is dependent upon the success of the BluScience product distribution, achieving positive operating cash flows, and the ability of the Company to obtain additional debt or equity financing all of which are uncertain. These uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

3. Basis of presentation

a) Statement of compliance

The Financial Statements of the Company and all of its subsidiaries (together referred to as the Company) for the years ended September 30, 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies applied in these financial statements are presented below and are based on IFRS in effect as of September 30, 2014.

These Financial Statements were approved by the Board of Directors on January 28, 2015.

b) Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for measurement of financial instruments at fair value through profit or loss.

c) Functional and presentation currency

These Financial Statements are presented in United States dollars, which is the Company's functional currency as the Company anticipates that a significant portion of its revenues and expenses will be denominated and settled in U.S. dollars.

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make certain critical accounting estimates and assumptions and exercise its judgment in the process of applying the Company's accounting policies and the reported amounts of revenue and expenses and the carrying values of assets and liabilities.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas where there are significant estimates and judgments are as follows:

- Business combinations – the Company makes estimates with respect of the fair value of the consideration transferred including discount rates and the allocation of the purchase price to assets acquired in a business combination.
- Share based compensation - all equity-settled, share based awards issued by the Company are recorded at fair value using the Black-Scholes option pricing model. In assessing the fair value of the equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, risk-free rate and estimated forfeitures at the initial grant date.
- Income taxes - Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and future periods. Deferred tax assets, if any, are recognized to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

Judgments

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- Impairment of inventory – for purposes of estimating net realizable value, the Company estimates the likelihood that inventory carrying values will be affected by market demand, technology and design which would impair the value of inventory on hand.
- Deferred income taxes – judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.
- Business combinations – with respect to business combinations, judgments are made regarding the identification of the acquirer and the determination of the date of acquisition.
- Goodwill – judgment is used in assessing any indicators of impairment.

4. Significant accounting policies

a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Britlor Health and Wellness Inc. and 1580306 AB Ltd. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated.

b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

c) Revenue recognition

Revenue from sales of products is recognized when the Company has transferred the significant risks and rewards of ownership to customers, which is generally at the time the products are shipped.

d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

All inventories are periodically reviewed for impairment due to slow-moving and obsolete inventory. The provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

4. Significant accounting policies (continued)

e) Property and equipment

Property and equipment are recorded at cost less accumulated amortization and impairment losses. The Company provides for amortization using the following methods at rates designed to amortize the cost of the property and equipment over their period of expected use by the Company. A full year of amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The estimated useful lives of assets are reviewed by management and adjusted if necessary.

The annual amortization rates and methods are as follows:

Furniture and equipment: 20% declining balance

Computer hardware: 30% declining balance

Leasehold improvements: 5 years straight-line

f) Intangibles

Intangible assets are recorded at cost. The Company provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives.

g) **Goodwill**

Goodwill arising in a business combination is recognized as an asset at the date control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest in the acquisition over the fair value of the net identifiable assets acquired.

Goodwill is not amortized, but is reviewed for impairment at least annually or more frequently if indications of impairment exist. For purposes of the impairment test, goodwill is allocated to a cash-generating unit ("CGU") expected to benefit from the synergies of the combination. The carrying value of the CGU to which the goodwill is allocated is compared to recoverable amount of the CGU. The recoverable amount is the greater of its value in use and fair value less cost to sell. If the recoverable amount of the CGU is less than the carrying amount, the impairment loss is allocated first to reduce the amount of goodwill allocated to the CGU and then to other assets of the CGU on a pro rata basis.

h) Impairment of long-lived assets

The carrying amounts of the Company’s long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to

4. Significant accounting policies (continued)

their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows or CGUs.

The Company's corporate assets do not generate separate cash inflows and may be utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

i) Share-based compensation

The grant-date fair value of share-based payment awards granted to employees or directors is recognized as share-based compensation expense, with a corresponding increase in contributed surplus, over the period that the individuals become entitled to the awards. Any consideration paid on exercise of stock options is credited to share capital along with the amounts originally recorded as contributed surplus.

j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax payable arising from the declaration of dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized on initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Significant accounting policies (continued)

k) Earnings (loss) per share

The calculation of basic earnings per share is based on net earnings and comprehensive income divided by the weighted average number of common shares outstanding. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and directors.

l) Business combinations

Acquisition of a business is accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of acquisition) of assets acquired, liabilities assumed, and debt and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs other than those associated with the issue of debt or equity securities that the Company incurs in connection with a business combination are recognized in profit or loss as incurred.

The Company measures goodwill as the fair value of the consideration transferred, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss.

m) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars (U.S. dollars) at the exchange rates in effect at the balance sheet date. Revenues and expenses (other than amortization which is translated at rates pertaining to the related assets) are translated at the exchange rates in effect at the date of the transaction.

Non-monetary assets and liabilities are translated at the exchange rates in effect at the date of acquisition. Exchange gains or losses arising on the translation are recognized in profit or loss.

n) Financial instruments

As at September 30, 2014, the Company's financial instruments are cash, accounts receivable, employee receivables, bank overdraft, accounts payable and accrued liabilities, consulting fees payable, notes payable, and due to and from related parties. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured based on their classification. These financial instruments are classified as follows:

- Cash – fair value through profit or loss
- Accounts receivable and employee receivables are classified as loans and receivables and are measured at amortized cost using the effective interest method. Due to their short term nature, their carrying values approximate their fair value.

4. Significant accounting policies (continued)

- Accounts payable and accrued liabilities, consulting fees payable, notes payable and due to related parties are classified as other financial liabilities and are measured at amortized cost using the effective interest method. Due to their short term nature, their carrying values approximate their fair value.

o) Application of new and revised International Financial Reporting Standards

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards issued which the Company is currently assessing and reasonably expects to be applicable at a future date.

IFRS 15 Revenue from Contracts with Customers - IFRS 15 replaces IAS 11, Construction Contracts, and IAS 18, Revenue, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosure.

The mandatory effective date will be for annual periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments – IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 *Financial Instruments – Recognition and Measurement* for debt instruments with a new mixed-measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are recognized either at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment. However, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

In the spring of 2014, the IASB tentatively decided that the mandatory effective date will be for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

(All amounts are expressed in US$)

5. Inventory

	September 30, 2014 $	September 30, 2013 $
Raw materials	713,307	713,307
Finished goods	2,531,595	2,610,950
	3,244,902	3,324,257

The inventory at September 30, 2014 consists of the BluScience product line which was acquired March 27, 2013. There has been no significant inventory movement since the acquisition date. Management has made the judgment that net realizable value is greater than cost.

6. Property and equipment

	Furniture and equipment $	Leaseholds $	Computer equipment $	Total $
Balance September 30, 2012	68,343	19,079	6,692	94,114
Acquisitions	702	-	-	702
Disposals	-	(19,079)	-	(19,079)
Balance September 30, 2013	69,045	-	6,692	75,737
Acquisitions	6,453	-	-	6,453
Disposals	-	-	-	-
Balance September 30, 2014	75,498	-	6,692	82,190

Accumulated amortization	Furniture and equipment $	Leaseholds $	Computer equipment $	Total $
Balance September 30, 2012	31,410	7,531	4,063	43,005
Amortization for the year	7,584	3,816	592	11,991
Disposals	-	(11,347)	-	(11,347)
Balance September 30, 2013	38,994	-	4,655	43,649
Amortization for the period	9,490	-	592	10,082
Disposals	-	-	-	-
Balance September 30, 2014	48,484	-	5,247	53,731

Carrying value	Furniture and equipment $	Leaseholds $	Computer equipment $	Total $
September 30, 2013	30,051	-	2,037	32,088
September 30, 2014	27,014	-	1,445	28,459

(All amounts are expressed in US$)

7. Business acquisition

On March 27, 2013 the Company acquired the ongoing business division and assets of ChromaDex's BluScience consumer product line of nutraceutical supplements, which included trademarks, and certain assets and liabilities from ChromaDex Corporation ("ChromaDex"). This business division was acquired to continue the growth of the Company's activities in the production and distribution of nutraceutical products.

The acquisition has been accounted for using the acquisition method of accounting with an effective date of March 27, 2013 (the "acquisition date"), whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair value of the identifiable net assets allocated to goodwill. In determining the consideration for the BluScience acquisition the fair value of the NeutriSci common shares was C$1.00. One Series I preferred share is exchangeable into 4 Class "A" Common shares.

Series I preferred shares issued (669,708 at US$4.00 per preferred share)	$	2,678,832
Senior secured convertible promissory note (note 8)		2,090,597
Cash		1,000,000
Total consideration for the acquisition	$	5,769,429

The Series I Preferred Shares are convertible into 2,678,832 Class "A" Common Shares in the capital of the Company, representing an aggregate of 19 percent of the Company's shares at acquisition. The transaction precludes ChromaDex from exceeding 9.99 percent of the outstanding voting securities of the Company and 19.00 percent of the outstanding Class A Common shares of the Company without obtaining certain waivers from NeutriSci. Included in purchase sale agreement was a royalty agreement, as well as a supplier agreement (see note 14 – Commitments for details)

As of the Acquisition Date, operation results from the BlueScience product line have been included in the Company's revenues and expenses. The following summarizes the allocation of the aggregate consideration of the BluScience product line:

Purchase Price Allocation:		
Current Assets (excluding inventory)	$	76,130
Inventory		3,342,004
Current liabilities		(545,872)
Trademark		-
Goodwill		2,897,167
	$	5,769,429

The Company incurred acquisition related costs of $27,561 relating to external legal fees which were expensed in the period.

In January 2011, the Company entered into negotiations for the merger and acquisition of Veaya Global LLC. The Company decided not to pursue the acquisition and have expensed the costs incurred of $106,630 in 2013 (2012 – $67,700).

(All amounts are expressed in US$)

8. Notes payable

	Promissory note $	Private lenders $	Total $
Balance September 30, 2012	-	94,960	94,960
Borrowings	2,500,000	46,577	2,546,577
Discounted at 20% for valuation purposes	(409,404)	-	(409,404)
Accretion	185,192	-	185,192
Settlement of debt in shares	-	(94,960)	(94,960)
Payments	(225,000)	(46,577)	(271,577)
Balance September 30, 2013	2,050,788	-	2,050,788
Borrowings	-	203,613	203,613
Revaluation of note payable	(57,334)	-	(57,334)
Accretion	281,546	-	281,546
Balance September 30, 2014	2,275,000	203,613	2,478,613

On March 27, 2013, the Company acquired the ongoing business division and assets of ChromaDex's BluScience consumer product line of nutraceutical supplements (Note 7) for consideration which included a senior secured convertible promissory note. During the three months ended December 31, 2013, ChromaDex sold the promissory note to a third party. During the year ended 2014, the Company was in default of the terms of the promissory note agreement on several occasions. As a result, the Company renegotiated the terms of the note and the note was amended on March 4, 2014, April 30, 2014 and July 2, 2014.

At September 30, 2014, the outstanding balance of the note was $2,275,000 (2013 - $2,050,788). The note bears interest at a non-compounding annual interest rate of 6% and is calculated on the outstanding balance at the end of each month. In the event of default, an interest rate of 18% will accrue on any outstanding balance. This note was in default on September 30, 2014.

This promissory note was further amended on November 5, 2014 (Note 15).

9. Related party transactions

<u>Related parties</u>

The Company had transactions with the following related parties:

Related party	Relationship
VMC Holdings Inc.	Former CEO, President, director
Arck Corporation Inc.	Former CEO, President, director
1418849 Alberta Ltd.	COO, director
Omni Investment Strategies	Vice President Business Development, director
La Maison LLC	Former Vice President Sales and Marketing, director
Tingle Merrett LLP	A director of NeutriSci is a partner at the law firm

(All amounts are expressed in US$)

Transactions

For the year ended September 30, 2014 and 2013, the Company incurred the following expenses with companies controlled by officers and directors of the Company.

		2014 $	**2013** $
VMC Holdings Inc.	Consulting	46,435	24,504
Arck Corporation Inc.	Consulting	64,991	-
1418849 Alberta Ltd.	Consulting	-	20,005
Omni Investment Strategies	Consulting	92,316	18,442
Tingle Merrett LLP	Legal	57,010	57,019

Consulting fees payable to related parties

The following table compares consulting fees payable for the year ended September 30, 2014 with those at September 30, 2013:

	September 30, 2014 $	**September 30, 2013** $
VMC Holdings Inc.	47,382	47,364
Arck Corporation Inc.	49,827	-
1418849 Alberta Ltd.	-	95,586
Omni Investment Strategies	51,030	114,969
La Maison LLC	-	92,669
	148,239	350,588

Due to related parties

Included in due to related parties is $8,511 (September 30, 2013 - $16,888) payable to an officer of the Company with respect to wages. Also included in due to related parties is $44,729 (September 30, 2013 - $61,180) payable to Tingle Merrett LLP in respect of legal services provided to the Company.

Key management personnel compensation

Key management includes the Company's directors, the CEO, COO, Vice President Business Development and Vice President Sales and Marketing.

For the year ended	**September 30, 2014** $	**September 30, 2013** $
Salaries and related benefits	110,494	220,715
Consulting fees	203,749	53,438
Stock based compensation	-	1,304,250
	314,243	1,484,117

10. Share capital

Authorized with an unlimited number of the following:

Class "A" voting, cumulative, participating shares
Class "B" voting, non-cumulative, non-participating shares
Class "C" non-voting, non-cumulative, non-participating shares
Class "D" non-voting, redeemable preferred shares
Class "E" voting, retractable, preferred shares

Authorized 1,553,650 Series I voting, convertible, preferred shares

Common shares

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

- Pursuant to the terms of the April 30, 2014 promissory note settlement agreement, the Company issued 235,294 Class A common shares to the holder of the promissory note. Each common share issued was at a value of C$1.00 per Class A common share.
- 1,450,000 Class A common shares in connection with the exercise of stock options.
- 472,500 Class A common shares, of this issuance, 465,000 Class A common shares were issued in respect of share subscriptions outstanding as of September 30, 2013. The remaining 7,500 Class A common shares were issued at a price of C$1.00 per Class A common share.
- 98,668 Class A common shares in settlement of consulting fees payable to a related party controlled by a former member of management and director of the Company. Each common share issued was at a value of C$1.00 per Class A common share.
- 34,000 Class A common shares in settlement of salaries payable to former employees. Each common share issued was at a value of C$1.00 per Class A common share.
- 20,000 Class A common shares in connection with a March 25, 2013 share issuance of 100,000 Class A common shares, the Company agreed to issue an additional 20% of the initial issuance if an event of liquidity did not occur within 270 days from the closing of the financing. These Class A common shares were issued for zero proceeds.

Preferred shares

In the year ended September 30, 2014, NeutriSci issued 950 Series I preferred shares for no consideration. This was required as the Company issued 20,000 common shares for a price less than C$1.00 per share as noted above. This was in accordance with the anti-dilution clause in the BluScience purchase agreement.

Stock options

(All amounts are expressed in US$)

The following table summarizes the changes in the number of stock options and their average exercise prices:

	Number of options		Weighted average exercise price ($)
Outstanding at September 30, 2012	550,000	$	0.10
Granted	-		-
Expired	-		-
Outstanding at September 30, 2013	550,000	$	0.10
Granted	1,450,000		0.09
Exercised	(1,450,000)		0.09
Cancelled	(550,000)		0.10
Outstanding at September 30, 2014	-	$	-

On March 13, 2013, the Company entered into agreements with certain key employees to issue 1,100,000 options at C$0.05 and 300,000 options at C$0.20 which vested immediately upon grant. The compensation expense of $1,304,250 was recorded in the year ending September 30, 2013. On December 11, 2013, the Board of Directors approved the grant and the Company recalculated the fair value of stock options using the Black-Scholes option-pricing model with the following weighted average assumptions:

Exercise price	C$ 0.05 - 0.20
Dividend yield	nil
Expected volatility	100%
Risk-free interest rate	1.55%
Expected life	1 year
Forfeiture rate	0%
Weighted average fair value per option	$0.92

On December 11, 2013, the Company granted 50,000 stock options to a former employee of the Company. Each stock option vested immediately and is exercisable at a price of C$0.20 per common share expiring one year from the date of grant. The fair value of the options granted was calculated using the Black-Scholes option-pricing model with the following assumptions:

Exercise price	C$ 0.20
Dividend yield	nil
Expected volatility	100%
Risk-free interest rate	1.25%
Expected life	1 year
Forfeiture rate	0%
Weighted average fair value per option	$0.81

(All amounts are expressed in US$)

Warrants

	Number of warrants		Weighted average exercise price ($)
Outstanding at September 30, 2012	900,000	$	0.0001
Granted	450,000		1.00
Exercised	(900,000)		0.0001
Outstanding at September 30, 2013	450,000	$	1.00
Granted	-		-
Outstanding at September 30, 2014	450,000	$	1.00

At September 30, 2014, the Company had the following warrants outstanding:

Expiry date	**Number of warrants**
March 27, 2015	250,000
March 25, 2016	200,000
	450,000

Brokers warrants

	Number of brokers warrants		Weighted average exercise price ($)
Outstanding at September 30, 2012	10,000	$	1.00
Granted	318,300		1.00
Exercised	(10,000)		1.00
Outstanding at September 30, 2013	318,300	$	1.00
Granted	525		1.00
Expired	(318,300)		1.00
Outstanding at September 30, 2014	525	$	1.00

During the current year, the Company issued, as a finder's fee, 525 brokers warrants in connection with issuances of Class A common shares. Each warrant is exercisable into one Class A common share at a price of $1.00 for a period of one year.

At September 30, 2014, the Company had the following brokers' warrants outstanding:

Expiry date	**Number of warrants**
December 10, 2014	525
	525

(All amounts are expressed in US$)

Earnings per share

For the three month and twelve month periods ended September 30, 2014 and 2013, the options and warrants were anti-dilutive and were not included in the diluted common shares calculation.

	2014	2013
Weighted average common shares - basic	11,687,939	7,444,527
Weighted average common shares - diluted	11,687,939	7,444,527

11. Capital disclosures

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Company defines capital as the Company's shareholders' equity. At September 30, 2014, shareholders' equity was $2,659,899 (September 30, 2013 - $3,894,448). The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not currently subject to any externally imposed capital requirements.

12. Financial instruments and risks

Fair value

Financial instruments carried at fair value on the balance sheet are assessed using the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The Company's cash is recorded at fair value and is a level one fair value measurement.

Liquidity

Liquidity risk is the potential for the Company to have difficulty in meeting its obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of accounts payable and accrued liabilities, consulting fees payable, notes payable and due to related parties. All of the Company's financial liabilities have contractual maturities of less than one year. The Company's approach to managing liquidity risk is to meet its obligations when due through available cash.

(All amounts are expressed in US$)

13. Commitments

The Company has entered into an amended agreement with Breitling Capital Corp. to issue, upon the completion of the Disani transaction, a finder's fee of 375,000 common shares of the resulting issuer. Should the Disani transaction not complete, the amendment would be terminated and, the Company's original agreement with Breitling Capital Corp. to pay a finder's fee of 2.5% of the shares of the resulting issuer of any qualifying transaction, IPO or other transaction whereby the Company goes public, would be reinstated.

Operating leases

The Company has entered into a lease agreement for an additional premise commencing on November 1, 2012 with basic monthly rent of C$1,500 (excluding operating costs) for the first 12 months, and C$1,875 (excluding operating costs) for every month thereafter, expiring October 31, 2015.

2015	C$22,200
2016	C$1,875

Royalty and Supply Agreement

The net sales of any BluScience Products or any products containing PteroPure or pterostilbene are subject to a 6% royalty.

The Company is a party to a supply agreement for the purchase of PteroPure and pterostilbene, key ingredient in its BluScience product line. There is no set requirement to purchase a certain volume of product, other than each order must be a minimum of 20kg of product. The price for the product has been fixed and this is an ongoing agreement.

(All amounts are expressed in US$)

14. Supplemental cash flow information

Changes in non-cash working capital were comprised of the following:

	Three months ended September 30,		Year ended September 30,	
	2014	2013	2014	2013
	$	$	$	$
Changes in non-cash working capital				
Accounts receivable	(18,605)	(4,694)	(190,833)	(41,766)
Prepaid expenses	-	27,669	12,624	-
GST receivable	(3,197)	(53,855)	(19,507)	(58,313)
Due from employees	9,918	(100,143)	100,143	(100,143)
Due from related parties	-	-	-	-
Inventory	(891)	(8,746)	79,355	-
Accounts payable and accrued liabilities	116,325	(88,487)	202,153	50,593
Consulting fees payable	8,479	19,365	4,212	19,365
Due to related parties	10,071	16,055	(24,829)	(21,931)
Net change	122,100	(192,836)	163,318	(152,195)
Net change by activity				
Operating	122,100	(192,836)	163,318	(152,195)
Financing	128,318	-	296,606	-
Investing	-	-	-	-
Net change	250,418	-192,836	459,924	-152,195
Non-cash transactions				
Share-based payments	-	-	215,997	-
Total non-cash transactions	-	-	215,997	-

15. Subsequent events

On October 1, 2014, the Company entered into a short-term bridge loan for total loan proceeds of C$100,000. The loan was repaid November 26, 2015.

On November 5, 2014, NeutriSci entered into a debt settlement agreement to settle the outstanding balance of the promissory note payable and related interest. In accordance with the amended agreement, and in full settlement of the promissory note, NeutriSci paid $1,250,000 on November 26, 2014, and is required to make an additional five monthly payments of $110,000 commencing on March 26, 2015. At the option of the holder of the promissory note, the balance of payments are convertible into common shares of NeutriSci International Inc. (formerly Disani Capital Corp.), as constituted on November 26, 2014, at a price of C$0.75 per share.

On November 26, 2014, the Company amalgamated with 1803796 Alberta Ltd., a wholly-owned subsidiary of NeutriSci International Inc. (formerly Disani Capital Corp.) (“Pubco”), to form NeutriSci International Corp., also a wholly-owned subsidiary of Pubco. As a result of the acquisition, Pubco acquired all of the existing assets, operations and undertaking of the Company. As consideration for the amalgamation, Pubco issued a total of 4,055,362 common shares, 6,758,936 series "A" preferred shares, 8,110,723 series "B" preferred shares, 8,110,712 series "C" preferred shares, and 765,892 share purchase warrants to shareholders of the Company. The transaction is considered a reverse takeover, as such term is used in applicable securities law, and subsequent thereto, the Company has elected to change its year-end from September 30 to December 31.