Exclamation Investments Corporation
Consolidated Financial Statements
For the three month period ending March 31, 2016 and 2015

Consolidated Financial Statements

		March 31, 2016	mber 31, 2015	January 1, 2015
ASSETS				
Cash		**$ 32 660**	$ 349 798	$ 139 145
Accounts receivable and other assets		**123 023**	108 369	99 664
Corporate investments	*(note 4)*	**678 600**	678 801	967 684
TOTAL ASSETS		**$ 834 283**	$ 1 136 968	$ 1 206 493
LIABILITIES				
Accounts payable and accrued liabilities		**$ 700 469**	$ 980 728	$ 914 324
Loans payable	*(note 7)*	**130 000**	130 000	100 000
TOTAL LIABILITIES		**830 469**	1 110 728	1 014 324
SHAREHOLDERS' EQUITY				
Share capital	*(note 8)*	**4 229 629**	4 229 629	4 057 757
Contributed surplus		**211 437**	211 437	89 740
Deficit		**(4 437 252)**	(4 414 993)	(3 955 328)
TOTAL SHAREHOLDERS' EQUITY		**3 814**	26 073	192 169
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY		**$ 834 283**	$ 1 136 801	$ 1 206 493

Going Concern (note 2)

The accompanying notes are integral part of these consolidated financial statements

Approved on behalf of the Board of Directors:

[signed] "Marc Lavine" — **Director**

[signed] "Jim Kranias" — **Director**

		Three Month Ended	
		Mar 31, 2016	Mar 31, 2015
NET INVESTMENT GAINS (LOSSES)			
Income (loss) from corporate investments	*(note 4)*	**$ 32 747**	$ (46 159)
Gain on settlement of lawsuit	*(note 4)*		-
		32 747	- 46 159
EXPENSES			
Management fees		**30 000**	60 000
Administration and other expenses		**21 845**	53 267
Impairment of corporate investments	*(note 4)*	-	
		51 845	113 267
LOSS BEFORE INTEREST EXPENSE		**(19 098)**	(159 426)
Interest expense		**3 161**	3 127
LOSS BEFORE INCOME TAXES		**(22 259)**	(162 553)
NET LOSS AND COMPREHENSIVE LOSS		**$ (22 259)**	$ (162 553)
LOSS PER SHARE			
Basic and diluted loss per share		$ (0,00)	$ (0,00)

The accompanying notes are integral part of these consolidated financial statements

		Common Shares	Share Capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2015		**33 160 387**	**$4 057 757**	**$89 740**	**($3 955 328)**	**$192 169**
Private placement - October 14, 2015	*(note 6)*	3 000 000	$178 301	$121 699		$492 169
Share issuance costs			($6 431)			$485 738
Total Comprehensive loss			-	-	($459 665)	$26 073
Balance at December 31, 2015		**36 160 387**	**$4 229 627**	**$211 439**	**($4 414 993)**	**$26 073**
Balance at January 1, 2016		**36 160 387**	**4 229 627**	**211 439**	**($4 414 993)**	**$26 073**
Total Comprehensive loss		-	-	-	(22 259)	(22 259)
Balance at March 31, 2016		**36 160 387**	**4 229 627**	**211 439**	**($4 437 252)**	**$3 814**

The accompanying notes are integral part of these consolidated financial statements

		Three Month Ended	
		March 31,2016	March 31,2016
OPERATING ACTIVITIES			
Net loss		**(22 259)**	(162 553)
ADJUSTMENTS TO RECONCILE LOSS TO NET CASH USED IN OPERATIONS			
Loss on investments		**(12 375)**	67 743
Non-cash interest income	*(note 4)*	**(5 192)**	(4 408)
		(39 826)	(99 218)
Changes in non-cash operating elements of working capital			
Accounts Receivable		**(14 654)**	(22 725)
Accounts Payable and accrued Liabilities		**(280 259)**	44 300
NET CASH USED IN OPERATING ACTIVITIES		**(334 739)**	(77 643)
INVESTING ACTIVITIES			
Purchase of corporate investments	*(note 4)*	**-**	**-**
Proceeds from disposal of corporate investments		**17 601**	7 603
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**17 601**	$ 7 603
FINANCING ACTIVITIES			
Advances of loans	*(note 5)*	**-**	
Issuance of common shares, net of issuance cost		**-**	
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	-
NET INCREASE IN CASH FOR THE PERIOD		**(317 138)**	(70 040)
CASH AT BEGINNING OF THE PERIOD		**349 798**	139 145
CASH AT END OF THE PERIOD		**32 660**	69 105
		-	-
Supplemental cash flow information			
Interest paid		**3 161**	3 127

The accompanying notes are integral part of these consolidated financial statements

1. NATURE OF ACTIVITIES

Exclamation Investments Corporation (the "Company" or "Exclamation") was incorporated on July 11, 2007 and is an investment company that develops and manages a portfolio of companies comprised of debt and equity investments. The Company seeks out unique investment opportunities where it helps its investee companies with financing and strategic consulting to develop new customers or partnerships to increase growth and build shareholder value. The address of the Company's head office is 1515A Bayview Avenue, Suite 200E-B, Toronto, Ontario M4G 3B5 Canada.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for annual consolidated financial statements and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The consolidated financial statements have been prepared on a historical cost basis except for corporate investments which are measured at fair value.

The consolidated financial statements were authorized for issuance by the Board of Directors on April 26, 2016.

(b) Basis of consolidation:

These consolidated financial statements consolidate the accounts of the Company, its Canadian wholly-owned subsidiaries Exclamation Investments Canada Inc. and Exclamation Creations Corporation. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. These subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern, directly or indirectly, the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or convertible are considered when assessing whether the company controls another entity. Any subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date on which control ceases.

(c) Going concern:

These consolidated financial statements have been prepared on a basis applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The current period's loss of $22,259 and accumulated deficit of $4,437,252 as at March 31, 2015 create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon further financing and ultimately, the attainment of profitable operations. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management of the Company has plans to continue to fund its future operations and settle the debt by obtaining additional financing through loans and private placements.

(d) Significant accounting policies, judgments, estimates and assumptions:

The accounting policies applied by the Company in these consolidated financial statements are consistent with those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2015.

These consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are:

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

(i) Fair value of investment in securities not quoted in an active market or private company investments:

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

(ii) Fair value of financial derivatives:

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used.

(iii) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

(iv) Stock-based compensation expense:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense. The Black-Scholes model requires seven key inputs to determine a value for an option: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, forfeiture rate and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

(v) Contingencies

Contingencies are accrued on an undiscounted basis when it is probable that a liability for past events exists and the liability can be reasonably estimated. In determining whether a liability exists, the Company is required to make judgments as to the probability of future events occurring.

(vi) Income taxes

The Company is subject to income taxes in some jurisdictions. Significant judgement is required in determining the total provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(e) Foreign currency:

(i) Functional currency:

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The functional currency of the subsidiaries are the Canadian dollar.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All exchange differences are recorded in the foreign exchange gain or loss in the consolidated statement of comprehensive loss under foreign exchange gain (loss).

(f) Financial instruments:

The Company initially measures financial instruments at fair value. Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash, accounts receivables, corporate investments, loan payable and accounts payable and accrued liabilities.

The fair value of accounts receivables and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that include the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following is a summary of significant categories of financial instruments outstanding at December 31, 2015:

Cash	Fair value through profit or loss
Accounts receivable and other assets	Loans and receivables
Corporate investments	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities
Loans payable	Financial liabilities

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

Subsequent measurement and treatment of any gain or loss is recorded as follows:

Financial assets at Fair Value Through Profit or Loss ("FVTPL") are measured at fair value at the date of the statement of financial position with any gain or loss recognized immediately in net income. Interest and dividends earned from these assets are also included in net income for the period. Cash and corporate investments are the only item currently classified as financial assets at FVTPL and is a Level 1.

Loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses are recognized in net income for the period. Other financial liabilities are measured at amortized cost using the effective interest method with interest expense recognized on an effective yield basis. This classification applies to the majority of the Company's financial liabilities including trade and other payables. Loans and borrowings are classified as current liabilities unless the Company has the unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(i) Determination of fair values:

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities reported at fair value within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (note 8).

1. Publicly-traded investments:

a. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are presented at fair value based on quoted closing bid prices at the consolidated statement of financial position date or the closing bid price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 in note 8. In the event that a listed company is not actively traded, its securities are valued at the five day average between the bid and ask price. However, for investments in a non-operating shell listed company, its securities are valued at the higher of the cash per share or the five-day average between the close and ask price.

b. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 20%. In determining the discount for such investments, the Company considers the nature and length of the restriction. These are included in Level 2 in note 8.

c. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price at the statement of financial position date of the underlying security less the exercise price of the warrant, and zero. These are included in Level 2 in note 8.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

2. Private company investments:

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

The following circumstances are used to determine if the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In making this determination, the Company takes into account events and circumstances specifically related to the investee including general market conditions when valuing the privately-held investments in its portfolio. Absent the occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

(ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(g) Cash and cash equivalents:

Cash and cash equivalents consists of cash and short-term investments with original maturities of less than three months.

(h) Revenue recognition:

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statement of comprehensive loss and are calculated on an average cost basis.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statement of comprehensive income as incurred. Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established. Interest income, other income and income from securities lending are recorded on an accrual basis.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

(i) Income taxes:

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(j) Stock-based compensation plans:

The Company has stock-based compensation plans which are described in note 6 . Employees, consultants (including senior executives) of the Company receive remuneration in the form of stock options, whereby the employees and consultants render services as consideration for equity instruments ("equity–settled transactions"). Any consideration received on the exercise of stock options or sale of stock is credited to share capital. The cost of equity–settled transactions is recognized, together with a corresponding increase in contributed surplus, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity–settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Company records compensation expense and credits contributed surplus for all stock options granted which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model.

Where the terms of an equity–settled award are modified, the minimum expense recognized in compensation expense is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share–based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity–settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non–vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

(k) Earnings (loss) per common share:

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares outstanding during the period. The computation of diluted income (loss) assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted income (loss) per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. In years when the Company reports a comprehensive loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore, basic and diluted loss per share are the same.

(l) Provisions:

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(m) Cost of private placement financings:

Incremental costs incurred in respect of raising capital through private placements are charged against equity proceeds raised.

(n) Future changes in accounting policies:

Certain pronouncements have been issued by the IASB or IFRIC (IFRS Interpretations Committee) that will be effective for future accounting periods. Many of these are not applicable to the Company and so are not listed below. The following is a brief summary of the new standard:

IFRS 9 – Financial instruments - amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primary unchanged from IAS 39, other than the fair value measurement option which now addresses an entity's own credit risk. Additional amendments are expected with respect to de-recognition of financial instruments, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or 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. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, cont'd

IFRS 16 – In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet, providing the reader with greater transparency of an entity's lease obligations. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

The Company has not yet assessed the impact of these amended standards on its consolidated financial statements or determined whether it will adopt these standards early.

3. RELATED PARTY TRANSACTIONS AND BALANCES

The following table summarizes the Company's related party transactions for the thee month period ended March 31, 2016 and 2015:

		Period Ended		
Related Parties		March 31, 2016	March 31, 2015	Transaction
Key Management	(a)(b)	$30,000	$60,000	Management fee

(a) Management fees are paid as key management compensation to certain executive of the Company who is also shareholder. The CEO and acting CFO, Marc Lavine, has taken a voluntary and temporary 50% reduction in management fees.

4. CORPORATE INVESTMENTS

Income from corporate investments for the three month period ended March 31, 2016 and 2015 are summarized below:

		January 1 – March 31, 2016	January 1 – March 31, 2015
Unrealized Gain/(Loss) on Investments	(f)	$ 12,428	$ (67.743)
Interest Income	(c)	20,192	21,584
Realized Gain on Investments	(f)	126	-
Total Income (loss) from Investments		$ 32,747	$ (46,157)

The fair values of the corporate investments at March 31, 2016, December 31, 2015 and January 1, 2015 are summarized below:

		March 31, 2016	Dec 31, 2015	January 1, 2015
Exclamation Investments Canada Inc.				
The Chrysalis Capital Group	(a)	$100,000	$100,000	$100,000
Advantex (Equity)	(c)	63,235	63,235	139,117
Advantex (Debenture)	(c)	488,958	483,766	464,999
EnsSolutions Group Inc.	(d)	-	-	12,978
Windmill Developments	(e)	-	-	137,314
Spectra7 Microsystems Inc.	(f)	26,406	31,452	57,961
Exclamation Creations Corporation				
One Inc.	(b)	1	1	1
		$678,600	$678,454	$888,331

4. CORPORATE INVESTMENTS, cont'd

(a) The Chrysalis Capital Group ("TCCG")

TCCG creates Capital Pool Companies. The Company holds 1,000,000 Preferred Shares (2015 - 1,000,000) in TCCG with an annual dividend of 10%. In addition, the Company made a $100,000 advance to TCCG, the amount is non interest bearing and is unsecured.

The Company's interest in TCCG is such that the Company is entitled to certain creditor rights whereby $325,000 of its preferred shares ranks ahead of a TCCG creditor while maintaining its equity interest in its entirety. In exchange for this, the Company has agreed to waive its quarterly dividend until such a time that Exclamation, at their option revokes its creditor position. The carrying value of the Company's interest in TCCG is supported by underlying financial assets held by TCCG and the future cash flows expected to be generated by TCCG.

(b) One Inc. ("One")

One is a business venture launched by Exclamation Creations for the purpose of solving a problem for the loyalty and membership markets of too many cards.

The Company holds a $1 investment (2015 - $1) which consists of 8,000,000 Common Shares (2015 - 8,000,000) in One representing approximately 67% (2015 - 67%) of the issued common shares.

(c) Advantex Marketing International Inc. ("Advantex")

Advantex is in the marketing services industry, managing white-labelled rewards accelerator programs for major affinity groups through which their members earn bonus frequent flyer miles and/or other rewards on purchases at participating merchants. Advantex is a public issuer listing its common shares on the Canadian National Stock Exchange under the symbol "ADX".

The Company holds a $500,000 debenture (2015 - $500,000) with Advantex. The debenture yields 12% interest annually and is payable semi-annually and will mature on September 30, 2016. The total interest income for the three month period ended March 31, 2016 was $15,000 (2015 – $15,000).

The Company holds 12,647,000 Common Shares (2014 - 12,647,000) in Advantex of the issued common shares. The fair value of the Common Shares was based on the previous five-day average between the bid and ask prices as these shares are not actively traded.

(d) EnsSolutions Group Inc. ("EnsSolutions")

EnsSolutions manufactures, distributes and applies organic liquid emulsions to meet industrial and commercial market demands, ranging from mine tailings control, controlling granular sealing of road shoulders, sealing of industrial waste materials to commodity stockpile and sealing to road base stabilization. EnsSolutions is a public issuer on the TSX Venture Exchange under the symbol "ENV".

At March 31, 2015, the Company holds 2,595,624 (2014 - 2,595,624) Common Shares in EnsSolutions representing approximately 2.6% (2015 – 2.6%) of the issued Common Shares. The fair value of the Common Shares was based on the previous five-day average between the bid and ask prices as these shares are not actively traded.

(e) Green Loans - Windmill Developments

The Green Loans investment was an opportunity to fund several condominium corporations' initiatives to implement 'Green' features and enhancements to their condo units. Interest and principal have been paid on a regular basis.

Loans	Interest	Principal at December 31, 2015	Principal at December 31, 2014
1) Alberta Condominium Corporation 061 0581	6%	-	$ 21,052
2) Alberta Condominium Corporation 071 3392	6%	-	49,132
3) Ottawa-Carleton Condominium Corporation No. 762	7%	-	67,130
Total		-	$ 137,314

As part of the settlement with Daniel Shields (Note 3), the three Green Loans were assigned to Daniel Shields for a value of $126,740. As of December 31, 2015, the corporation has no remaining investment in the Green Loans.

4. CORPORATE INVESTMENTS, cont'd

(f) Spectra7 Microsystems Inc. ("Spectra7")
Spectra7 Microsystems Inc. common shares began trading on the TSX Venture Exchange on February 19, 2013 under the symbol "SEV". The Company has 38,832 (December 31, 2015 – 69,893) common shares in Spectra7. Pursuant to the terms of the escrow agreement, the common shares have been placed in escrow, whereby 10% of the common shares were released on February 19, 2013 and the balance of common shares will be released in equal tranches of 15% every six months thereafter. The final tranche of shares were released during the period.

5. LOANS PAYABLE

The Company has a loan of $100,000 outstanding which bears interest at 12% per annum paid quarterly and is due on June 30, 2016. During the year period ended March 31, 2015 the Company paid $3,161 (2015 - $3,127) in interest.

As part of the settlement agreement with the former Chief Financial Officer, the Company has agreed to pay $30,000 in the form of a term promissory note that is none interest bearing and due on June 30, 2017.

6. SHARE CAPITAL

	Number of shares	Amount ($)
COMMON SHARES		
December 31, 2014	33,160,387	4,057,757
October 16, 2015 New shares issued in Private Placement	6,000,000	178,303
Share issuance costs		(6,431)
March 31, 2016	39,160,387	4,229,629

	Number of shares	Amount ($)
FOUNDER CONVERTIBLE SHARE	1	1

Common Shares
The Common Shares of the Company are voting shares. The holders of Common Shares are entitled to receive dividends subject to prior rights of the founder convertible share if and when dividends are declared by the Board of Directors on Common Shares. The number of authorized shares is unlimited.

In October 2015, the Company completed a non-brokered private placement of an aggregate of 6,000,000 Units of the Company at $0.05 per unit for proceeds of $300,000 and incurred $6,431 of share issuance costs. Each Unit consists of one common share of the Company ("Common Share") and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.05 per share for a period of two years from issuance.

Founder Convertible Share
The Founder Convertible share of the Company is a non-voting share. The holder of the Founder Convertible Share is entitled to receive dividends on an as-converted basis if and when dividends are declared by the Board of Directors on Common Shares. At any time, this share can be converted into 4,912,656 Common Shares of the Company. The number of authorized shares is one.

6. SHARE CAPITAL, cont'd

Loss Per Share – three month period

	March 31, 2015	December 31, 2014
Net Loss	$ (459,665)	$ (2,588,413)
Weighted average common shares outstanding	34,459,017	33,160,387
Basic and diluted loss per share	(0.01)	(0.18)

Exclamation Creations Corporation

Resulting from the internal restructuring in September 2011, both Creations' issued and outstanding common shares and Creations' Class A Preferred Shares are inter-company shares that have been eliminated on accounting for consolidation, except for the existing Creations' Founder Convertible Share, owned by Exclamation S.A., a holding company controlled by a Director of the Company. The Creations Founder Convertible Share is convertible, at the option of the holder and without additional consideration, into Creations Common Shares such that after conversion, the holder of the Creations Founder Convertible Share will receive 33% of the then outstanding Creations Common Shares assuming the conversion of all outstanding Creations Preferred Shares into Creations Common Shares. The Creations Founder Convertible Share is non-voting except as required by law. Subject to the prior rights of any class of shares ranking in priority to the Creations Founder Convertible Share and the Creations Common Shares, the holder of the Creations Founder Convertible Share shall be entitled to receive dividends on an as-converted basis if and when declared by Creations' Board of Directors on the Creations Common Shares. The Creations Founder Convertible Share does not entitle the holder thereof to any preference over holders of other classes of shares of Creations with respect to the payment of dividends.

Stock Options

The directors of the Company have approved a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Company. The exercise price of the options shall be determined by the board at the time of the grant. The aggregate number of shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Company from time to time. The number of Common Shares reserved for issuance to (a) any individual director or officer will not exceed 5% of the issued and outstanding Common Shares, and (b) all technical consultants will not exceed 2% of the issued and outstanding common shares. In addition to the options granted under the Plan, the Company granted options to an eligible charitable organization, exercisable for a period of up to 5 years from the date of the grant. Any further grants to an eligible charitable organization will not exceed 1% of the issued and outstanding Common Shares.

A summary of the changes in the Company's outstanding stock options as follows:

	Number of Options	Weighted Average Exercise Price $
Balance, December 31, 2015	670,500	0.15
Issues or Expired in the period	-	-
Balance, March 31, 2016	670,500	0.15

As at March 31, 2016 stock options outstanding and exercisable consist of the following:

Exercise prices ($)	Number outstanding	Expiry date
0.15	670,500	July 14, 2020

Warrants

Outstanding warrants entitle the holders to subscribe to an equivalent number of common shares as follows:

	Number of Warrants	Weighted Average Exercise Price $	Expiry
Balance, December 31, 2014	-	-	
Issued	6,000,000	0.05	October 16, 2017
Balance, March 31, 2016	6,000,000	0.05	October 16, 2017

6. SHARE CAPITAL, cont'd

During the year ended December 31, 2015, the Company issued a total of 6,000,000 warrants as part of the October private placement. The fair value of the warrants was estimated to be $121,697 using the Black-Scholes pricing model, which has been recognized in contributed surplus. The fair value at the time of the grant was $0.015 per share assuming an average volatility of 187%, an exercise price of $0.05, a risk free rate of 0.52%, an expected dividend of 0% and an expected life of 2 years.

7. INCOME TAXES

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.50% (2014 – 26.50%) to the net loss and comprehensive loss for the period. The reason for the difference is as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Loss before income taxes	$ (459,665)	$ (2,512,686)
Expected income taxes recovery at future rates	(121,811)	(665,860)
Income tax effect of the following:		
Permanent items	361	400
Non-taxable portion of unrealized losses	17,275	250,540
Change in tax benefits not recognized	105,872	414,920
Other	(1,697)	-
	$ -	$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2015	December 31, 2014
Unrealized loss on investments	$ 290,843	$ 273,563
Carryforward of unused capital loss	933	-
Carryforward of unused non-capital losses	614,108	602,500
Unpaid deductible amount	202,699	126,640
Share issuance costs	4,030	4,038
	$ 1,112,613	$ 1,006,741

The Company has not recorded deferred tax assets related to the temporary differences noted above as it is not probable that future taxable income will be available against which these differences can be utilized. The carry forward balance of unused non-capital losses was relied on by the predecessor auditor for financial statement disclosure purposes.

Losses Carried Forward

At December 31, 2015, the Company had non-capital losses available to be carried forward which expire in the following years:

2028	111,189
2029	173,602
2030	419,716
2031	355,376
2032	289,770
2033	291,729
2034	640,098
2035	35,910
	$ 2,317,390

The benefit of the loss carryforwards has not been recorded in the accounts as it is not more likely than not that they will be utilized.

8. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques as described in accounting policy. The policy require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation.

Markets are considered inactive when transactions are not occurring with sufficient regularity. Inactive markets may be characterized by a significant decline in the volume and level of observed trading activity or through large or erratic bid/offer spreads. In those instances where traded markets are not considered sufficiently active, fair value is measured using valuation models which may utilize predominantly observable market inputs (Level 2) or may utilize predominantly non-observable market inputs (Level 3).

Management considers all reasonably available information including indicative broker quotations, any available pricing for similar instruments, recent arm's length market transactions, any relevant observable market inputs, and internal model-based estimates. Management applies judgment in determining the most appropriate inputs and the weighting ascribed to each input as well as the selection of valuation methodologies.

As at March 31, 2016, the financial instruments measured at fair value on the Company's statement of financial position were classified as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$32,680	$ -	$ -	$ 32,680
Investments	-	89,641	590,959	678,600
Total	$349,978	$ 94,687	$ 583,767	$711,280

December 31, 2015

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$349,978	$ -	$ -	$ 349,978
Investments	-	94,687	583,767	678,454
Total	$349,978	$ 94,687	$ 583,767	$1,028,432

9. RISK MANAGEMENT

The investment business is about accepting risk for return and is therefore affected by a number of economic factors, including changing economic environments, capital markets and interest rates. As a result, the Company faces various risk factors inherent in its normal business activities. These risk factors and the management thereof are described below.

Credit Risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the years ended December 31, 2015 and 2014, there was no effect on income as a result of changes in credit risk on financial assets.

The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors.

Management and the Board of Directors review the financial condition of investee companies regularly.

As at December 31, 2015 and 2014, the Company's cash has been placed with a schedule 1 Canadian chartered bank. The Company is also subject to credit risk on its interest receivable, which is with its investee companies. The Company manages this risk by reviewing the financial condition of investee companies regularly.

9. RISK MANAGEMENT, cont'd

Market Risk
Market risk includes exposure to fluctuations in the market value of the Company's investments, currency rates and interest rates. As at December 31, 2015 and 2014, the Company has a low exposure of approximately 10% of the fair value of the Company's corporate investments in equities of publicly-traded companies.

Certain industries, particularly the financial services and business venture, industry have seen a negative impact in the past year related to the economic downturn. Markets and credit availability, although improved, are still challenging and the Company has considered these economic events and indicators in the valuation of its corporate investments. The Company manages this risk by reviewing the financial condition of investee companies regularly.

Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Company invests in interest-bearing financial instruments. As such, the Company is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Company's loans payable are at fixed interest rates and, as a result, the Company is exposed to interest rate price risk.

Price Risk
The most significant exposure for the Company to other price risk arises from its investment in publicly traded securities. As at December 31, 2015, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net income for the year ended December 31, 2015 would have increased or decreased, respectively, by approximately $9,469 (2014 - $26,537). In practice, the actual results may differ from this analysis and the difference may be material.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company maintains a conservative liquidity position that exceeds all liabilities payable on demand. As at December 31, 2015 and 2014, the Company has no funding commitments and guarantees.

10. CAPITAL DISCLOSURES

The Company considers the capital it manages to be the amounts it has in cash and corporate investments. At March 31, 2016, the Company had cash of $32,680 (December 31, 2015 - $349,780) and corporate investments of $678,600 (December 31, 2015 - $678,801) for total capital of $711,280 (December 31, 2015 - $1,028,432).

The Company's objectives in managing capital are to:

(a) Preserve its liquidity such that funds are available to pursue new acquisitions and opportunities as well as to support its current operations and its existing corporate investments;
(b) Achieve an appropriate risk-adjusted return on capital; and
(c) Build on the long-term value of its corporate investments.