

NORTH BLUFF CAPITAL CORP.

Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

As at and for the six months ended
February 28, 2015 and 2014

NORTH BLUFF CAPITAL CORP.

(the “Company”)

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the six months ended February 28, 2015 and 2014

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed 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 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.

NORTH BLUFF CAPITAL CORP.

Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

As at

	February 28 2015	August 31 2014
Assets		
Current Assets		
Cash	\$ 23,871	\$ 46,455
Receivable	4,478	3,507
Prepaid expenses	15,423	15,423
Total Assets	\$ 43,772	\$ 65,385
Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 179,822	\$ 188,372
Shareholders' Deficiency		
Share capital (Note 5)	313,756	313,756
Share-based payment reserve	-	53,000
Deficit	(449,806)	(489,743)
	(136,050)	(122,987)
Total Liabilities and Shareholders' Deficiency	\$ 43,772	\$ 65,385

Nature of Operations and Proposed Transaction (Note 1)**Going Concern (Note 2)****Approved on behalf of the Board on April 29, 2015:***“Robert Chisholm”*

Robert Chisholm - Director

“Scott Ackerman”

Scott Ackerman - Director

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

NORTH BLUFF CAPITAL CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Three Months Ended February 28		Six Months Ended February 28	
	2015	2014	2015	2014
Expenses				
Bank charges	\$ 28	\$ 230	\$ 91	\$ 293
Filing and transfer agent fees	4,199	4,453	6,733	6,973
Professional fees	6,239	1,875	6,239	3,750
Share-based payments	-	-	(53,000)	-
Net income/(loss) and comprehensive income/(loss) for the period	(10,466)	(6,558)	39,937	(11,016)
Basic and diluted income/(loss) per common share	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ (0.00)
Weighted average number of common shares outstanding*	3,000,000	3,000,000	3,000,000	3,000,000

* The weighted average number of common shares outstanding does not include 1,000,000 common shares held in escrow (See Note 5).

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

NORTH BLUFF CAPITAL CORP.

Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(expressed in Canadian dollars)

	Six Months Ended February 28,	
	2015	2014
Cash (used in) /provided by:		
Operating Activities:		
Net income/(loss) for the period	\$ 39,937	\$ (11,016)
Item not affecting cash:		
Share-based payments	(53,000)	-
Changes in non-cash working capital items		
Receivable	(971)	(636)
Accounts payable and accrued liabilities	(8,550)	(6,547)
Decrease in cash for the period	(22,584)	(18,199)
Cash, beginning of period	46,455	71,435
Cash, end of period	\$ 23,871	\$ 53,236

Supplemental Information:

Cash paid during the year for interest expense	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

There were no significant non-cash investing or financing transactions during the six months ended February 28, 2015 and 2014.

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

NORTH BLUFF CAPITAL CORP.

Statements of Changes in Shareholders' Deficiency

For the six months ended February 28, 2015

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Number of Shares Issued	Share Capital	Share- Based Payment Reserve	Deficit	Total Shareholders' Deficiency
Balance, August 31, 2013	4,000,000	\$ 313,756	\$ 53,000	\$ (446,855)	\$ (80,099)
Loss and comprehensive loss for the period	-	-	-	(11,016)	(11,016)
Balance, February 28, 2014	4,000,000	\$ 313,756	\$ 53,000	\$ (457,871)	\$ (91,115)
Balance, August 31, 2014	4,000,000	\$ 313,756	\$ 53,000	\$ (489,743)	\$ (122,987)
Net income/(loss) and comprehensive income/(loss) for the period	-	-	-	39,937	39,937
Stock options cancelled or expired	-	-	(53,000)	-	(53,000)
Balance, February 28, 2015	4,000,000	\$ 313,756	\$ -	\$ (449,806)	\$ (136,050)

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

NORTH BLUFF CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended February 28, 2015

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND PROPOSED TRANSACTION

North Bluff Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on October 15, 2008. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“Exchange”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities (the “Qualifying Transaction”). Under Exchange Policy 2.4, a Qualifying Transaction must be entered into within 24 months of listing. The Company’s common shares commenced trading on the Exchange on October 28, 2009. The head office, principal address and records office of the Company are located at 1620-609 Granville Street, Vancouver, B.C. V7Y 1C3.

The Company has entered into a letter of intent dated June 25, 2010 and amended March 7, 2011, to acquire certain assets (the “Acquisition”) of The Biodegradable Technologies General Partnership (“BTGP”) in exchange for shares of the Company. On June 9, 2011, the Company and BTGP signed a definitive asset purchase agreement relating to the Acquisition. The assets consist of substantially all of the issued patents and patent applications of BTGP and such technology and assets that flow directly or indirectly from the patents (collectively, the “Technology”). The proposed Qualifying Transaction is intended to be completed by issuing common shares of the Company in exchange for certain assets of BTGP.

It is anticipated that the Acquisition, if completed, will constitute the Company’s Qualifying Transaction. Completion of the transaction is subject to a number of conditions, including but not limited to, the TSX-V acceptance. Trading in the securities of the Company has been halted since July 8, 2010 in relation to the pending Acquisition.

The Company has not completed the Acquisition as at February 28, 2015. The Company continues to work toward the completion of its Qualifying Transaction, however as a result of the Company’s failure to complete its qualifying transaction within 24 months of its listing, on November 2, 2011 the Exchange issued a notice of suspension from trading, and on February 8, 2012, the Company’s listing was transferred to the NEX Board of the Exchange, and the trading symbol changed to “NBK.H”. This transfer to the NEX Board resulted in the cancellation of 1,000,000 “seed” common shares and the cancellation of 100,000 stock options of the Company. There can be no assurance that the transaction will be completed as proposed or at all.

NORTH BLUFF CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended February 28, 2015

(Unaudited – Prepared by Management)

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2. GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At February 28, 2015, the Company had not yet achieved profitable operations, has accumulated losses of \$449,806 since its inception, and had a working capital deficiency of \$136,050. The Company’s continuing operations as intended are dependent upon its ability to complete a Qualifying Transaction, which is subject to regulatory approval and may be subject to shareholder approval. Additionally, the Company expects to incur further losses in its efforts to complete a Qualifying Transaction. Until such time as the Company completes a Qualifying Transaction, it will be difficult for the Company to obtain additional equity financing. Consequently, the Company intends to use its remaining cash balance to finance its on-going corporate costs and transaction costs associated with its proposed Qualifying Transaction.

There can be no assurance that the Company will complete its Qualifying Transaction or the proposed equity financing, at which time the Company’s shares may be delisted from the Exchange. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

3. BASIC OF PRESENTATION

The condensed interim financial statements of the Company have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The condensed interim financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended August 31, 2014, which are available at www.sedar.com.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company’s financial statements were authorized for issue by the Board of Directors on April 29, 2015.

NORTH BLUFF CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended February 28, 2015

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for the statements of cash flows.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's most recent audited financial statements as at and for the year ended August 31, 2014 which is available at www.sedar.com, and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

5. CAPITAL STOCK

- (a) **Authorized** unlimited common shares without par value
 unlimited preferred shares without par value

(b) **Issued and Outstanding**

	Number of Shares	Amount
Balance as at August 31, 2014 and February 28, 2015	4,000,000	\$313,756

(c) **Escrow shares**

1,000,000 of the Company's common shares are held in escrow and will be released on a pro-rata basis to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a Qualifying Transaction by the Exchange and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

All of the escrow shares are considered contingently returnable until the Company completes the Qualifying Transaction and accordingly they are not considered to be outstanding shares for the purposes of the loss per share calculations.

These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a Qualifying Transaction and is delisted, the shares may be cancelled and proceeds returned to the shareholders.

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5. CAPITAL STOCK (CONTINUED)**(d) Stock Options**

All shares acquired on exercise of director and officer options before the completion of the Qualifying Transaction shall be subject to escrow until the issuance of the final Exchange notice of the Qualifying Transaction.

A summary of the Company's stock option activity is as follows:

	Number of shares	Weighted Average Exercise Price
Balance, August 31, 2014	400,000	\$0.10
Cancelled or expired	(400,000)	\$0.10
Balance, February 28, 2015	-	-