Revelstoke Equity Inc.
(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

For the three month period ended September 30, 2016

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards for a review of interim financial statements by an entity's auditor.

Revelstoke Equity Inc.
(A Capital Pool Company)

Unaudited Condensed Interim Statement of Financial Position
(in Canadian Dollars)

		September 30, 2016		June 30, 2016
Assets				
Current assets				
Cash	$	**508,655**	$	509,536
	$	**508,655**	$	509,536
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$		$	294
Shareholders' equity				
Share capital *(note 3)*		**618,512**		618,512
Contributed Surplus		**151,060**		151,060
Deficit		**(261,211)**		(260,330)
		508,361		509,242
	$	**508,655**	$	509,536

Nature of Operations *(note 1)*

Subsequent Events *(note 6)*

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

Approved by the Board

Signed: "Craig Leon"

Director

Signed: "Tim Leon"

Director

Unaudited Condensed Interim Statement of Comprehensive Loss
(in Canadian Dollars)

		For the three month period ended September 30, 2016	2015
Expenses			
Listing and Filing fees	$	**881**	**11,300**
Professional fees	$	**-**	**12,005**
Office Expense	$	**-**	**865**
Net loss and comprehensive loss for the period	**$**	**(881)**	**(24,170)**
Net loss per share - basic and diluted	**$**	**(0.01)**	**(0.01)**
Weighted average shares outstanding		**4,289,300**	**2,751,910**

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

Unaudited Condensed Interim Statement of Changes in Equity
(in Canadian Dollars)

	Number of common shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, June 30, 2015	**1,000,000**	**100,000**	**-**	**(65,693)**	**34,307**
Issuance of common shares	**3,289,300**	**657,860**	**-**	**-**	**657,860**
Share issuance costs	**-**	**(88,386)**	**-**	**-**	**(88,386)**
Net loss for the period	**-**	**-**	**-**	**(24,170)**	**(24,170)**
Balance, September 30, 2015	**4,289,300**	**669,474**	**-**	**(89,863)**	**579,611**
Balance, June 30, 2016	**4,289,300**	**618,512**	**151,060**	**(260,330)**	**509,242**
Net loss for the period	**-**	**-**	**-**	**(881)**	**(881)**
Balance, September 30, 2016	**4,289,300**	**618,512**	**151,060**	**(261,211)**	**508,361**

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

Unaudited Condensed Interim Statement of Cash Flows
(in Canadian Dollars)

	For the Three Month Period Ended September 30,	
	2016	**2015**
Cash flow from operating activities		
Net loss for the period	**$ (881)**	**(24,170)**
Net change in non-cash working capital		
Decrease in accounts payable and accrued liabilities	**-**	**(31,699)**
	(881)	**(55,869)**
Cash flow from financing activities		
Proceeds from issuance of shares, net of issuance costs	**-**	**569,474**
	-	**569,474**
Net change in cash	**(881)**	**513,605**
Cash, beginning of period	**509,536**	**66,300**
Cash, end of period	**$ 508,655**	**579,905**

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

1. Nature of Operations

Revelstoke Equity Inc. (the "Company") (A Capital Pool Company) was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on November 14, 2014.

On August 12, 2015 the Company completed its Initial Public offering ("IPO") (note 3) to be classified as a Capital Pool Company as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture"). The Company's principal purpose is the identification and evaluation of assets or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholders' approval and acceptance by the TSX Venture.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the TSX Venture. Where an acquisition or participation (the "Qualifying Transaction) is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Company will be able to secure the necessary financing to complete a Qualifying Transaction. The TSX Venture may suspend or de-list the Company's shares from trading should it not meet these requirements.

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. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's head office and registered records office address is 22 Adelaide Street West, Suite 3400, Toronto, Ontario, Canada M5H 4E3.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 28, 2016.

2. Summary of Significant Accounting Policies

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. Results for the period ended September 30, 2016 are not necessarily indicative of future results. The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied by the Company in its June 30, 2016 audited financial statements.

(in Canadian Dollars)

2. Summary of Significant Accounting Policies - continued

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

3. Share Capital

Authorized

Unlimited	Common shares

Issued and Outstanding

4,289,300	Common shares

On April 9, 2015 the Company issued 1,000,000 common shares, at a price of $0.10 per share, for gross proceeds of $100,000.

On August 12, 2015 the Company completed its Initial Public Offering ("IPO") and issued 3,289,300 common shares, at a price of $0.20 per share, for gross proceeds of $657,860. The Company granted Hampton Securities Limited, its agent for the IPO, Agent's warrants allowing it to purchase 328,930 common shares at a price of $0.20 per common share, exercisable for a period of twenty-four months from the date of listing of the common shares on the TSX Venture (the "Exchange"). The Company also incurred $88,386 in cash issuance costs related to the IPO.

Escrow Shares

Subject to an Escrow Agreement pursuant to the requirements of the TSX Venture, 1,000,000 common shares issued on April 30, 2014 will be held in escrow. Under the terms of the Escrow Agreement, these shares will be released as to 10% thereof on the completion of the Company's Qualifying Transaction, as defined in the policies of the TSX Venture, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the TSX Venture, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

3. Share Capital - continued

Stock Options

Upon completion of the IPO the Company established a stock option plan for its officers and directors under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

The Company granted incentive stock options to directors and officers of the Company to purchase a number of common shares equal to 10% of the number of common shares issued and outstanding upon completion of the Offering. The options were granted at a price of $0.20 per common share, exercisable for ten years from the date of grant, subject to regulatory approval.

4. Financial Instruments

Fair Values

At September 30, 2016, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair value of accounts payable and accrued liabilities approximates its carrying value due to the relatively short-term maturity of this instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash held in trust.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

5. Capital Management

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

6. Subsequent Events

Potential Qualifying Transaction

On September 14, 2015 the Company entered into a letter of intent with Zonetail Inc. ("Zonetail") to complete a business combination (the "Qualifying Transaction") whereby the Qualifying Transaction will be completed by way of either a securities exchange or amalgamation of Zonetial with a new special purpose subsidiary of Revelstoke whereupon the shareholders of Zonetail will receive a number of common shares of Revelstoke ("Revelstoke Shares") for each Zonetail Share based on an exchange ratio to be determined in accordance with the relative valuations of Zonetail Shares and Revelstoke Shares.

In conjunction with, and prior to the closing of the Qualifying Transaction, Zonetail intends to complete an equity financing through a private placement of subscription receipts for minimum gross proceeds of $2,000,000. The net proceeds of the Private Placement will be used for working capital and general corporate purposes.