

exactEarth Ltd.
Interim Consolidated Statements of Financial Position
(in thousands of Canadian Dollars)
Unaudited

		As at April 30, 2016	As at October 31, 2015
		<u>\$</u>	<u>\$</u>
ASSETS			
Current assets			
Cash		21,581	2,365
Trade accounts receivable		1,207	3,865
Unbilled revenue	(note 14)	796	1,954
Prepaid expenses and other assets		823	676
Total current assets		<u>24,407</u>	<u>8,860</u>
Property, plant and equipment	(notes 5, 7 and 15)	30,271	48,538
Intangible assets	(notes 6, 7 and 15)	<u>17,518</u>	<u>24,646</u>
Total assets		<u><u>72,196</u></u>	<u><u>82,044</u></u>
LIABILITIES & EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		7,281	10,966
Due to related parties	(notes 13 and 16)	-	295
Deferred revenue	(note 14)	1,084	1,037
Current portion of loans	(notes 8 and 16)	711	361
Current portion of long-term incentive plan	(notes 9 and 12)	36	-
Total current liabilities		<u>9,112</u>	<u>12,659</u>
Government loan	(note 8)	1,244	1,436
Long-term debt	(note 8)	285	-
Due to related parties	(notes 13 and 16)	-	44,801
Long-term incentive plan	(notes 9 and 12)	111	82
Total liabilities		<u>10,752</u>	<u>58,978</u>
Shareholders' equity			
Share capital	(notes 9 and 16)	123,726	55,120
Contributed surplus	(note 9)	368	249
Accumulated other comprehensive loss		(130)	(296)
Deficit		(62,520)	(32,007)
Total shareholders' equity		<u>61,444</u>	<u>23,066</u>
Total liabilities and equity		<u><u>72,196</u></u>	<u><u>82,044</u></u>

See accompanying notes

On behalf of the Board:

exactEarth Ltd.
Interim Consolidated Statements of Comprehensive Loss
(in thousands of Canadian Dollars)
Unaudited

		Three months ended		Six months ended	
		April 30, 2016	May 1, 2015	April 30, 2016	May 1, 2015
		\$	\$	\$	\$
Revenue	(note 15)	5,222	5,939	11,602	11,357
Cost of revenue		2,554	2,551	5,182	5,134
Gross margin		<u>2,668</u>	<u>3,388</u>	<u>6,420</u>	<u>6,223</u>
Operating expenses					
Research and development		18	16	28	31
Selling, general and administrative		2,133	1,926	4,074	3,477
Product development		449	372	902	701
Depreciation and amortization	(notes 5 and 6)	1,435	1,368	2,812	2,737
Impairment losses	(note 7)	27,987	-	27,987	-
Loss from operations		<u>(29,354)</u>	<u>(294)</u>	<u>(29,383)</u>	<u>(723)</u>
Other expense					
Other expense		80	92	80	148
Foreign exchange loss		57	118	735	267
Interest expense	(note 13)	21	347	315	667
Total other expense		<u>158</u>	<u>557</u>	<u>1,130</u>	<u>1,082</u>
Income tax expense	(note 11)	-	-	-	-
Net loss		<u>(29,512)</u>	<u>(851)</u>	<u>(30,513)</u>	<u>(1,805)</u>
Other comprehensive loss					
Items that may be subsequently reclassified to net income:					
Foreign currency translation, net of income tax expense of nil		154	69	166	(55)
Total other comprehensive loss		<u>154</u>	<u>69</u>	<u>166</u>	<u>(55)</u>
Comprehensive loss		<u>(29,358)</u>	<u>(782)</u>	<u>(30,347)</u>	<u>(1,860)</u>
Basic and diluted loss per share	(note 9)	<u>(1.39)</u>	<u>(0.08)</u>	<u>(1.89)</u>	<u>(0.16)</u>

exactEarth Ltd.
Interim Consolidated Statements of Cash Flows
(in thousands of Canadian Dollars)
Unaudited

	Three months ended		Six months ended	
	April 30, 2016	May 1, 2015	April 30, 2016	May 1, 2015
	\$	\$	\$	\$
Net loss	(29,512)	(851)	(30,513)	(1,805)
Add (deduct) items not involving cash				
Nonmonetary transaction (note 10)	(882)		(882)	
Impairment losses (note 7)	27,987	-	27,987	-
Imputed interest on government loan (note 3)	33	39	69	79
Depreciation and amortization (notes 5 and 6)	1,435	1,368	2,812	2,737
Settlement of long term incentive plan	-	-	-	(1)
Foreign exchange loss on revaluation of foreign currency shareholder loans	-	(80)	-	124
Stock based compensation (notes 9 and 12)	164	203	184	406
Change in non-cash working capital balances	2,385	1,810	1,573	(520)
Cash flows from operations	<u>1,610</u>	<u>2,489</u>	<u>1,230</u>	<u>1,020</u>
Investing activities				
Acquisition of property, plant, and equipment (note 5)	(301)	(206)	(1,288)	(3,783)
Reimbursement of acquisition costs of property, plant, and equipment (note 5)	120	335	120	335
Acquisition of intangible assets (note 6)	(1,620)	(214)	(3,940)	(411)
Cash flows used in investing activities	<u>(1,801)</u>	<u>(85)</u>	<u>(5,108)</u>	<u>(3,859)</u>
Financing activities				
Government loan repayment (notes 3 and 8)	(123)	(82)	(246)	(82)
Long-term debt repayment (note 8)	(29)	-	(29)	-
Shares issued (note 16)	20,440	-	20,440	-
Shareholder loan advances	-	-	3,000	4,000
Cash flows from financing activities	<u>20,288</u>	<u>(82)</u>	<u>23,165</u>	<u>3,918</u>
Effect of exchange rate changes on cash	(192)	(35)	(71)	(20)
Net increase in cash	19,905	2,287	19,216	1,059
Cash, beginning of the period	<u>1,676</u>	<u>1,175</u>	<u>2,365</u>	<u>2,403</u>
Cash, end of the period	<u><u>21,581</u></u>	<u><u>3,462</u></u>	<u><u>21,581</u></u>	<u><u>3,462</u></u>
Supplemental cash flow information				
Interest paid	<u>-</u>	<u>291</u>	<u>334</u>	<u>568</u>
Interest received	<u>30</u>	<u>4</u>	<u>34</u>	<u>8</u>
Taxes paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

exactEarth Ltd.
Interim Consolidated Statements of Changes in Equity
(in thousands of Canadian Dollars)
Unaudited

For the Six Months Ended April 30, 2016	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
	\$	\$	\$	\$	\$
Balance October 31, 2015	23,066	(32,007)	(296)	55,120	249
Stock option expense (note 9)	119	-	-	-	119
Comprehensive loss	(30,347)	(30,513)	166	-	-
7,349,780 common shares issued on conversion of debt (note 16)	48,166	-	-	48,166	-
3,144,615 common shares issued for cash (note 16)	20,440	-	-	20,440	-
Balance April 30, 2016	<u>61,444</u>	<u>(62,520)</u>	<u>(130)</u>	<u>123,726</u>	<u>368</u>

For the Six Months Ended May 1, 2015

Balance October 31, 2014	24,356	(30,952)	(62)	55,120	250
Settlement of long-term incentive plans	(1)	-	-	-	(1)
Comprehensive loss	(1,860)	(1,805)	(55)	-	-
Balance May 1, 2015	<u>22,495</u>	<u>(32,757)</u>	<u>(117)</u>	<u>55,120</u>	<u>249</u>