NatureBank Asset Management Inc.

Unaudited Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

For the three months and nine months ended September 30, 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The Company's external auditors, Davidson & Company LLP, have not performed a review of these condensed consolidated interim financial statements.

NatureBank Asset Management Inc.

Condensed Consolidated Interim Statements of Financial Position

At September 30, 2018 and December 31, 2017

(Expressed in Canadian dollars)

	Notes	September 30, 2018	December 31, 2017
ASSETS			
Current Assets			
Cash		$ 1,221,040	$ 529,995
Accounts and other receivables	3	505,850	965,882
Inventory	4	503,874	498,353
Prepaid expenses		222,501	230,086
Total Current Assets		2,453,265	2,224,316
Long-term Assets			
Deposits		26,200	33,025
Property and equipment		37,552	42,269
Intangible assets		6,250	29,662
Total Long-term Assets		70,002	104,956
Total Assets		**$ 2,523,267**	**$ 2,329,272**
Current Liabilities			
Accounts payable and accrued liabilities	5	$ 1,204,096	$ 1,542,043
Taxes payable		57,000	57,000
Provisions	6	1,606,554	1,606,554
Deferred revenue		730,300	557,083
Convertible debentures	7	859,223	641,575
Total Current Liabilities		4,457,173	4,404,255
Provisions	6	58,188	58,188
Convertible debentures		-	205,055
Deferred revenue		19,048	11,905
Long-Term Liabilities		77,236	275,158
Total Liabilities		4,534,409	4,679,403
Shareholders' Deficiency			
Share capital	8	14,654,255	14,654,255
Reserves		2,699,081	2,699,081
Equity component of convertible debenture		74,048	74,048
Accumulated other comprehensive income		22,883	10,289
Deficit		(19,461,409)	(19,787,804)
Total Shareholders' Deficiency		(2,011,142)	(2,350,131)
Total Liabilities and Shareholders' Deficiency		**$ 2,253,267**	**$ 2,329,272**

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

Approved on behalf of the Board:

"Phil Cull" *"James Tansey"*

Phil Cull, Director James Tansey, Director

NatureBank Asset Management Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the nine-month periods ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

	Note	September 30, 2018	September 30, 2017
Revenue		$ 4,268,437	$ 2,682,615
Cost of goods sold		1,970,662	823,601
Gross profit		2,297,775	1,859,014
EXPENSES			
Amortization		8,603	9,834
Amortization of intangible		49,055	61,748
Consulting fees		57,441	71,214
Foreign exchange		21,110	(2,191)
Inventory write-down		772	-
Professional, investor and agent fees		127,042	105,574
Salaries, management fees and benefits		1,230,733	1,200,929
Selling, general and administrative		310,539	492,388
Share-based compensation	10	-	39,384
Total operating expenses		1,805,295	1,978,880
Income (loss) before finance and other items		492,480	(119,866)
Finance and other items			
Accretion expense	7	(12,593)	(16,999)
Finance costs	7	(35,825)	(80,944)
Gain on settlement of payables		-	54,699
Interest expense		(133,206)	(162,144)
Interest income		112	69
Gain on Disposal of Fixed Asset		218	1,000
Other income		10,101	76,458
Misc. tax recovery		5,108	-
		(166,085)	(127,861)
Loss before income taxes for the period		326,395	(247,727)
Current income tax		-	(59,278)
Income/(Loss) for the period		326,395	(307,005)
Other Comprehensive Income			
Exchange loss on translation of foreign operations		12,594	10,947
Loss and comprehensive loss for the period		$ 338,989	$ (296,058)
Loss per share		$ 0.006	$ (0.006)
Weighted average number of shares outstanding		52,631,076	52,348,658

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
For the three-month periods ended September 30, 2018 and 2017
(Expressed in Canadian dollars)

	Note	September 30, 2018	September 30, 2017
Revenue		$ 1,430,312	$ 1,029,951
Cost of goods sold		879,045	390,639
Gross profit		551,267	639,312
EXPENSES			
Amortization		2,850	3,709
Amortization of intangible		11,162	33,256
Consulting fees		15,957	24,600
Foreign exchange		4,896	1,232
Professional, investor and agent fees		47,385	31,541
Salaries, management fees and benefits		386,286	420,004
Selling, general and administrative		109,111	196,450
Total operating expenses		577,647	710,793
Loss before finance and other items		(26,380)	(71,481)
Finance items			
Accretion expense	6	(4,244)	(5,729)
Finance costs	7	(12,073)	(22,782)
Interest expense		(43,926)	(53,372)
Interest income		75	69
Gain on Disposal of Fixed Asset		200	-
Other income		5,854	25,269
Misc. tax recovery		23,683	-
		(30,431)	(56,545)
Income (Loss) before income taxes for the year		(56,811)	(128,026)
Current income tax		-	(20,185)
Loss for the period		(56,811)	(148,211)
Other Comprehensive Income			
Exchange gain (loss) on translation of foreign operations		(10,225)	(486)
Loss and comprehensive loss for the period		$ (67,036)	$ (148,697)
Income(Loss) per share		$ (0.001)	$ (0.003)
Weighted average number of shares outstanding		52,631,076	52,631,076

NatureBank Asset Management Inc.

Condensed Consolidated Interim Statements of Changes in Equity

For the nine-month periods ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

	Share Capital							
	Number	Amount	Subscriptions received	Share-based payment reserve	Equity component of debentures	Accumulated other comprehensive income	Deficit	Total
Balance at December 31, 2016	49,531,076	14,501,255	290,000	$ 2,490,743	$ 74,048	(8,501)	(20,139,982)	(2,792,437)
Issuance of shares for private placement	2,900,000	145,000	(290,000)	145,000	-	-	-	-
Issuance of shares to settle trade payable	200,000	8,000	-	-	-	-	-	8,000
Share-based compensation	-	-	-	39,384	-	-	-	39,384
Exchange gain on translation of foreign operations	-	-	-	-	-	10,947	-	10,947
Income (loss) for the period	-	-	-	-	-	-	(307,005)	(307,005)
Balance at September 30, 2017	52,631,076	$ 14,654,255	$ -	$ 2,675,127	$ 74,048	$ 2,446	$ (20,446,987)	$ (3,041,111)
Fair value of warrants issued on provision amendment	-	-	-	23,954	-	-	-	23,954
Exchange gain on translation of foreign operations	-	-	-	-	-	7,843	-	7,843
Income (loss) for the period	-	-	-	-	-	-	659,183	659,183
Balance at December 31, 2017	52,631,076	$ 14,654,255	$ -	$ 2,699,081	$ 74,048	$ 10,289	$ (19,787,804)	$ (2,350,131)
Exchange gain on translation of foreign operations	-	-	-	-	-	12,594	-	12,594
Income (loss) for the period	-	-	-	-	-	-	326,395	326,395
Balance at September 30 , 2018	52,631,076	$ 14,654,255	$ -	$ 2,699,081	$ 74,048	$ 22,883	$ (19,461,409)	$ (2,011,142)

(Expressed in Canadian dollars)

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Cash provided by (used in) continuing operating activities:		
Loss for the period	$ 326,395	$ (296,058)
Items not involving cash:		
Accretion expense	12,593	16,999
Accrued interest expense	133,206	155,631
Amortization of equipment	8,603	8,835
Amortization of intangibles	49,055	61,747
Finance costs on convertible debt	35,825	80,944
Gain on settlement of payables	-	(54,699)
Share-based compensation	-	39,384
Unrealized foreign exchange	(21,110)	(3,896)
Changes in non-cash operating working capital:		
Accounts and other receivables	460,032	215,920
Inventory	(5,521)	(90,496)
Prepaid expenses and deposits	14,410	48,539
Accounts payable and accrued liabilities	(445,855)	(293,134)
Provisions	-	(229)
Deferred Revenue	180,360	328,956
Net cash flows used in operating activities	747,993	138,870
Investing activities provided by (used in):		
Cash paid for distribution rights		
Acquisition of equipment	(28,330)	(7,233)
Net cash used in investing activities	(28,330)	(7,233)
Financing activities		
Interest paid on convertible debentures	(21,347)	(15,750)
Net cash provided by financing activities	(21,347)	15,750
Impact of exchange rate changes on cash	(7,271)	(6,886)
Increase (decrease) in cash	691,045	109,002
Cash, beginning of period	529,995	404,500
Cash, end of period	$ 1,221,040	$ 513,502

Supplemental disclosures and non-cash transactions relating to financing and investing activities:

	September 30, 2018	September 30, 2017
Accrued interest on convertible debt	57,426	41,485
Equity component of convertible debenture	-	-
Obligation to issue shares	-	-
Issuance of shares for asset acquisition	-	-
Interest on provisions included in accounts payable and accrued liabilities	140,409	143,146

1. Nature and Continuance of Operations

NatureBank Asset Management Inc. (the "Company") was incorporated under the Business Corporations Act (BC). The Company's head office, principal address, and registered and records office is located at Unit 300-948 Homer Street, Vancouver, British Columbia, V6B 2W7, Canada.

The Company's primary business is the sourcing, financing, development and commercialization of sustainable commodities across the agro-forestry and carbon sectors.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards 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 and continue operations for the next twelve months.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company has negative working capital at September 30, 2018 and may require additional funding and/or profitable operations for the upcoming year. Material uncertainties related to the Company's ability to secure additional funding or deliver profitable operations may cast significant doubt on the entity's ability to continue as a going concern. Realizable values may be substantially different from carrying values as shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. General Information and Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These condensed consolidated interim financial statements have been prepared on a basis consistent with the accounting policies applied for the year ending December 31, 2016 and follow the same accounting policies and methods of application as the 2016 annual consolidated financial statements. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected notes are included that are significant to understanding the Company's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2017.

Where applicable, comparative figures have been reclassified to conform to the presentation used in the current period.

These condensed consolidated interim financial statements were approved by the Board of Directors on November 29, 2018.

(Expressed in Canadian dollars)

3. Accounts and Other Receivables

	September 30, 2018	December 31, 2017
Trade receivables	$ 454,296	$ 817,870
Government sales tax receivable and value added tax receivable	-	-
Income tax receivable	-	59,969
Other receivables	51,554	88,043
Total	**$ 505,850**	**$ 965,882**

4. Inventory

	September 30, 2018	December 31, 2017
Work-in-Process		
Project development costs	$ 431,387	$ 484,189
Finished Goods		
VERs	72,487	14,164
Total	**$ 503,874**	**$ 498,353**

5. Accounts payable and accrued liabilities

	September 30, 2018	December 31, 2017
Trade payables	$ 504,582	$ 848,435
Accrued liabilities	416,147	602,621
Government sales tax payable and value added tax	283,367	90,987
Total	**$ 1,204,096**	**$ 1,542,043**

6. Provisions, Long and Short Term

	September 30, 2018			December 31, 2017		
	Short term	Long term	Total	Short term	Long term	Total
Maintenance & Monitoring	41,609	$ 58,188	$ 99,797	$ 41,609	$ 58,188	$ 99,797
Future purchase consideration	1,564,945	-	1,564,945	1,564,945	-	1,564,945
Total	**$ 1,606,554**	**$ 58,188**	**$ 1,664,742**	**$ 1,606,554**	**$ 58,188**	**$ 1,664,742**

(Expressed in Canadian dollars)

6. Provisions, Long and Short Term (cont'd)

		Maintenance, Monitoring, & Reporting		Future Purchase Consideration		Total
Balance, December 31, 2017	$	99,797	$	1,564,945	$	1,664,742
Incurred during the period		-		-		-
Interest accretion		-		-		-
Balance, September 30, 2018	$	99,797	$	1,564,945	$	1,664,742

7. Debentures

	Debenture A	Debenture B	Debenture C	Debenture D	Debenture E	Debenture F	TOTAL
First Tranche Amount at date-of-issue	$ 232,892	$ 94,504	$ 211,751	$ -	$ -	$ -	$ 539,147
Second Tranche Amount at date-of-issue	-	-	-	38,793	193,970	38,793	271,556
Accretion	47,108	17,071	38,249	7,260	21,351	6,632	137,671
Payments	-	-	-	-	(125,000)	-	(125,000)
Equity Component Adjustment	-	-	-	-	25,492	-	25,492
Gain on early Redemption	-	-	-	-	(2,236)	-	(2,236)
Balance, December 31, 2017	$ 280,000	$ 111,575	$ 250,000	$ 46,053	$ 113,577	$ 45,425	$ 846,630
Accretion	-	-	-	2,791	7,008	2,794	12,593
Balance, September 30, 2018	$ 280,000	$ 111,575	$ 250,000	$ 48,844	$ 120,585	$ 48,219	$ 859,223

During the period ended September 30, 2018, the Company recorded finance costs of $48,418 which includes accretion expense of $12,593 and accrued interest of $35,825, in relation to the above listed debentures.

(Expressed in Canadian dollars)

8. Share Capital

(a) Authorized:

Unlimited common shares without par value.

(b) Issued

The Company closed a non-brokered private placement for $290,000 at $0.10 per unit (the "Offering") on the January 19, 2017. The Offering was composed of 2,900,000 units of the Company, with each unit consisting of one common share and one full share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 per share for a period of 12 months following the date of closing of the Offering. Total cash received was $290,000.

On April 20, 2017, the Company issued 200,000 common shares at a fair market value price of $0.04 to settle an outstanding trade payable to the value of $10,000, resulting in a gain on settlement of $2,000.

9. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted average exercise price
Outstanding, December 31, 2016	2,000,000	$0.40
Issued	5,900,000	0.12
Expired	(2,000,000)	0.40
Outstanding, December 31, 2017	5,900,000	$0.12
Issued	-	-
Expired	(5,900,000)	0.12
Outstanding, September 30, 2018	-	-

10. Share Options

The following table summarizes the continuity of the Company's share options at September 30, 2018:

	Number of options	Weighted Average exercise price
Outstanding, December 31, 2016	2,925,000	$ 0.10
Granted	1,075,000	0.10
Forfeited or expired	(300,000)	0.10
Outstanding, December 31, 2017	3,700,000,	0.10
Forfeited or expired	(1,225,000)	0.10
Outstanding, September 30, 2017	2,475,000	$ 0.10

(Expressed in Canadian dollars)

During the nine-months ending September 30, 2018, the Company recognized $nil (2017 - $39,384) in share-based compensation for share options that were granted during the period.

Options outstanding and exercisable as at September 30, 2018 were as follows:

Expiry Date	Number of Options Outstanding	Exercise Price	Number of Options Outstanding and Exercisable	Remaining Life (years)
April 8, 2019	1,200,000	0.10	1,200,000	0.52
July 14, 2021	200,000	0.10	200,000	2.79
April 22, 2022	1,075,000	0.10	1,075,000	3.56
Total	**2,475,000**		**2,475,000**	
Weighted Average Fair Value of Options Granted				2017 - $0.007 2018 - $0.005

11. Related Party Transactions and Balances

The remuneration of directors and key management personnel during the nine and three months ended September 30, 2018 and 2017 are as follows:

Nine Months Ended September 30	2018	2017
Salaries, management fees and benefits	$ 381,793	$ 542,744
Share-based payments (i)	-	23,813

Three Months Ended September 30	2018	2017
Salaries, management fees and benefits	$ 116,404	$ 184,522
Share-based payments (i)	-	-

(i) Share-based payments are the fair value of options granted to key management personnel and vested during the period.

Amounts due to/from related parties at September 30, 2018 and December 31, 2017 included in accounts & other receivables, accounts payable and accrued liabilities are as follows:

	September 30, 2018	December 31, 2017
Due from related parties	$ 163	$ 228,400
Due to related parties	350,018	712,956
Accrued debenture interest due to related party	52,120	42,848

(Expressed in Canadian dollars)

Included in accounts payable and accrued liabilities at September 30, 2018 is $22,530 (December 31, 2017 - $21,254) due to a company with two directors in common and is a significant shareholder of the Company. Additionally, included in Current Debenture Interest is $52,120 (December 31, 2017 - $42,848) of which $34,695 is overdue.

During the nine months and three months ended September 30, 2018, sales revenues of $13,970 and $8,272 respectively (2017 - $129,023 and $106,124) was recognized from a customer who has one director in common and is a significant shareholder of the Company. Included in receivables is $163 (December 31, 2017 - $nil) and included in payables is $8,624 (December 31, 2017 - $136,656).

During the nine months and three months ended September 30, 2018, sales revenue of $86,064 and $68,763 (2017 - $101,228 and $44,292) was recognized from a customer with two owners being directors of the Company, one of which is a significant shareholder of the Company.

Included in payables and accrued liabilities at September 30, 2018 is $95,430 (Dec 31, 2017: $95,430) due to a company whose significant shareholder is a director of the company.

Included in payables and accrued liabilities at September 30, 2018 is $41,768 (Dec 31, 2017: $141,891) due to a company who has a director in common and is the former CIO of the Company.

Included in payables and accrued liabilities at September 30, 2018 is $140,409 (Dec 31, 2017: $202,165) due to the 3rd Party Seller of OCT and CCC shares, whose legal counsel is a director of the company.

12. Revenues

Nine Months Ended September 30		2018		2017
Sale of VERs	$	2,538,107	$	1,143,738
Consulting		1,730,330		1,538,857
Management fees		-		20
Total	$	4,268,437	$	2,682,615

Three Months Ended Sept 30		2018		2017
Sale of VERs	$	753,267	$	416,301
Consulting		677,045		613,650
Management fees		-		-
Total	$	1,430,312	$	1,029,951

(Expressed in Canadian dollars)

13. Segmented Information

The Company has one reportable segment, being that of the development and sale of VERs.

Revenues

Nine Months Ended September 30	2018	2017
Canada	$ 1,398,780	$ 968,690
Europe	1,785,255	1,031,263
USA	647,026	220,638
South & Central America	415,551	441,275
Other	21,825	20,749
Total	$ 4,268,437	$ 2,682,615

Three Months Ended September 30	2018	2017
Canada	$ 324,801	$ 128,009
Europe	632,821	539,996
USA	304,491	142,658
South & Central America	154,387	219,163
Other	13,812	125
Total	$ 1,430,312	$ 1,029,951

The Company had concentrated revenues as follows:

Nine Months Ended September 30	2018	2017
Forest Finance Service GmbH and related Co.'s.	2%	8%
Customer A	9%	10%
Customer B	9%	5%
Other	80%	77%
	100%	100%

Three Months Ended September 30	2018	2017
Forest Finance Service GmbH and related Co.'s.	5%	14%
Customer A	2%	1%
Customer B	2%	1%
Other	91%	84%
	100%	100%

The Company is actively working to diversify its product and customer base in order to mitigate the risk of economic dependency.

14. Events After the Reporting Date

There are no events of significance to include.