AURORA SOLAR TECHNOLOGIES INC.

(FORMERLY ACT AURORA CONTROL TECHNOLOGIES CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2016

Stated in Canadian Funds

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Aurora Solar Technologies Inc. (formerly ACT Aurora Control Technologies Corp.):

Management is responsible for the preparation and presentation of the accompanying Condensed Interim Consolidated Financial Statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

The Company's independent auditor has not performed a review of these Condensed Interim Consolidated Financial Statements in accordance with standards established by the Canadian Organization of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The condensed interim consolidated financial statements were approved by the Board of Directors on 26 August 2016 and were signed on its behalf by:

"Michael Heaven"	"Grant T. Smith"
Michael Heaven, CEO	Grant T. Smith, CFO

Statement 1

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note		**As at 30 June 2016**		As at 31 March 2016
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**604,048**	$	356,299
Amounts receivable	(6)		**50,390**		35,938
Prepaid amounts and deposits			**31,548**		36,004
Inventory	(7)		**117,571**		224,670
			803,557		652,911
Non-current Assets					
Patents	(8)		**67,661**		63,051
Other assets	(9)		**37,058**		40,113
			104,719		103,164
		$	**908,276**	$	756,075
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	(11)	**$**	**228,357**	$	141,991
Deferred revenue			**27,706**		27,947
			256,063		169,938
EQUITY (statement 3)					
Share capital	(10)		**7,719,274**		7,719,274
Obligation to issue shares	(10)		**373,000**		-
Contributed surplus – warrants	(10)		**77,203**		77,203
Contributed surplus – options	(10)		**817,281**		813,678
Deficit			**(8,334,545)**		(8,024,018)
			652,213		586,137
		$	**908,276**	$	756,075

The condensed interim consolidated financial statements were approved by the Board of Directors on 26 August 2016 and were signed on its behalf by:

"Michael Heaven"	"David Toyoda"
Michael Heaven, Director	David Toyoda, Director

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Three months Ended 30 June 2016	Three months ended 30 June 2015
CONTINUING OPERATIONS			
Revenues			
Product sales		**$ 223,810**	$ 48,063
Cost of sales		**(195,813)**	(61,594)
		27,997	(13,531)
Expenses			
Wage expense		**149,006**	144,672
Consulting fees		**81,744**	129,830
Operating expense		**77,401**	81,656
Professional fees		**25,774**	42,565
Share-based compensation	(10)	**3,603**	8,247
Amortization	(8)	**996**	1,004
		338,524	407,974
Loss from Operating Activities being Comprehensive Loss		**$ (310,527)**	$ (421,505)
Net Loss per Common Share – Basic and Diluted		**$ (0.01)**	$ (0.02)
Weighted Average Number of Shares Outstanding		**33,187,686**	27,251,954

AURORA SOLAR TECHNOLOGIES INC. **Statement 3**

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
BALANCE AT 1 APRIL 2015	26,906,853 $	6,067,788	3,632,050 $	43,203	3,398,192 $	789,784 $	(6,404,385) $	496,390
Private Placement issuances	6,280,833	1,884,250	3,140,416	-	-	-	-	1,884,250
Agents' warrants issued	-	(34,000)	376,850	34,000	-	-	-	-
Share issuance costs	-	(177,465)	-	-	-	-	-	(177,465)
Warrants expired	-	-	(1,372,000)	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	8,247	-	8,247
Net loss for the period	-	-	-	-	-	-	(421,505)	(421,505)
BALANCE AT 30 JUNE 2015	33,187,686 $	7,740,573	5,777,316 $	77,203	3,398,192 $	798,031 $	(6,825,890) $	1,789,917
Share issuance costs	-	(21,299)	-	-	-	-	-	(21,299)
Net loss for the period	-	-	-	-	-	-	(432,266)	(423,266)
BALANCE AT 30 SEPTEMBER 2015	33,187,686 $	7,719,274	5,777,316 $	77,203	3,398,192 $	798,031 $	(7,258,156) $	1,336,352
Options granted	-	-	-	-	150,000	-	-	-
Options expired	-	-	-	-	(180,000)	-	-	-
Stock-based compensation	-	-	-	-	-	11,876	-	11,876
Net loss for the period	-	-	-	-	-	-	(493,691)	(493,691)
BALANCE AT 31 DECEMBER 2015	33,187,686 $	7,719,274	5,777,316 $	77,203	3,368,192 $	809,907 $	(7,751,847) $	854,537
Warrants expired	-	-	(2,260,050)	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	3,771	-	3,771
Net loss for the period	-	-	-	-	-	-	(272,171)	(272,171)
BALANCE AT 31 MARCH 2016	33,187,686 $	7,719,274	3,517,266 $	77,203	3,368,192 $	813,678 $	(8,024,018) $	586,137
BALANCE 1 APRIL 2016	**33,187,686 $**	**7,719,274**	**3,517,266 $**	**77,203**	**3,368,192 $**	**813,678 $**	**(8,024,018) $**	**586,137**
Obligation to issue shares	**-**	**373,000**	**-**	**-**	**-**	**-**	**-**	**373,000**
Options expired	**-**	**-**	**-**	**-**	**(450,000)**	**-**	**-**	**-**
share-based compensation	**-**	**-**	**-**	**-**	**-**	**3,603**	**-**	**3,603**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(310,527)**	**(310,527)**
BALANCE AT 30 JUNE 2016	**33,187,686 $**	**8,092,274**	**3,517,266 $**	**77,203**	**2,918,192 $**	**817,281 $**	**(8,334,545) $**	**652,213**

AURORA SOLAR TECHNOLOGIES INC.

Canadian Funds

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended 30 June 2016	Three months ended 30 June 2015
OPERATING ACTIVITIES		
Loss for the Period	**$ (310,527)**	$ (421,505)
Items not Affecting Cash		
Amortization	**996**	1,004
Share-based compensation	**3,603**	8,247
	(305,928)	(412,254)
Net Change in Non-cash Working Capital		
Amounts receivable	**(14,452)**	(9,744)
Prepaid amounts and deposits	**4,456**	(10,369)
Inventory	**107,099**	(30,268)
Deferred revenue	**(241)**	-
Accounts payable and accrued liabilities	**86,366**	(29,647)
	183,228	(80,028)
	(122,700)	(492,282)
INVESTING ACTIVITIES		
Purchase of term deposits	**-**	(1,499,999)
Purchase of other assets	**(2,551)**	(5,801)
	(2,551)	(1,505,800)
FINANCING ACTIVITIES		
Proceeds from share issuances	**-**	1,884,250
Proceeds from obligation to issue shares	**373,000**	-
Share issuance costs	**-**	(177,465)
	373,000	1,706,785
Net Increase (Decrease) in Cash	**247,749**	(291,297)
Cash position – beginning of period	**356,299**	516,743
Cash Position – End of Period	**$ 604,048**	$ 225,446
Schedule of Non-cash Investing and Financing Transactions		
Cash paid for interest	**$ -**	$ -
Cash paid for income taxes	**$ -**	$ -
Fair value of agent's warrants issued	**$ -**	$ 34,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Aurora Solar Technologies Inc., formerly known as ACT Aurora Control Technologies Corp. ("Aurora" or the "Company") was incorporated on 26 October 2006 under the Business Corporations Act of British Columbia as a capital pool company ("CPC") as defined by the rules the TSX Venture Exchange ("TSXV") in Policy 2.4 of the TSXV.

Aurora develops, manufactures and markets Production Measurement and Control TM systems to the Solar wafer, cell and panel manufacturing industry.

The address of the Company's corporate and administrative office and principle place of business is #210 – 980 West 1st Street, North Vancouver, BC, V7P 3N4.

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and the discharge of liabilities in the normal course of operations.

The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. Management of the Company is of the view that these objectives can be met, and that the going concern assumption is appropriate.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

		30 June 2016		31 March 2016
Working capital	**$**	**547,000**	$	483,000
Accumulated deficit	**$**	**(8,335,000)**	$	(8,024,000)

2) Basis of prepartion – Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The Financial Statements have been prepared on a 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, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited condensed interim consolidated financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 March 2016. The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3) Significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated Financial Statements. For a summary of significant accounting policies, please refer to the Company's audited annual consolidated financial statements for the year ended 31 March 2016.

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

a) Critical judgements in applying accounting policies

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

b) Key sources of estimation uncertainty

Useful life of plant and equipment

The Company reviews the estimated lives of its plant and equipment at the end of each reporting period. There were no material changes in the lives of plant and equipment for the reported periods.

Patents and Other asset

Aurora reviews the valuation of these assets at the end of each reporting period. The Company observes no indications of impairment.

5) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 June 2016 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, amounts receivable, inventory, accounts payable and accrued liabilities. As at 30 June 2016, the carrying value of cash and term deposits is fair value. The remaining financial instruments approximate their fair value due to their short term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its bank accounts. The Company's accounts are held with major banks in Canada. The Company is not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going expenditures. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 6% shift in exchange would result in a change of $14,000.

At 30 June 2016 the Company held currency totalling the following:

		30 June 2016		31 March 2016
Canadian dollars	**$**	**321,000**	$	202,000
United States dollars	**$**	**218,000**	$	154,000
Amounts receivable in United States dollars	**$**	**6,200**	$	-
Amounts payable in United States dollars	**$**	**-**	$	17,000

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves in order to meet its liquidity requirements at any point in time.

6) Amounts receivable

Amounts receivable consists of:

		30 June 2016		31 March 2016
Trade receivables	**$**	**8,177**	$	-
GST receivable and other		**42,213**		35,938
	$	**50,390**	$	35,938

7) Inventory

Inventory consists of:

		30 June 2016		31 March 2016
Raw materials	**$**	**117,571**	$	224,670

8) Equipment and patents

		Patents		Equipment		Total
COST OR DEEMED COST						
Balance at 1 April 2015	$	52,837	$	51,781	$	104,618
Additions for the year		40,989		-		40,989
Balance at 31 March 2016	$	93,826	$	51,781	$	145,607
Balance at 1 April 2016	**$**	**93,826**	**$**	**51,781**	**$**	**145,607**
Additions for the period		**5,606**		**-**		**5,606**
Balance at 30 June 2016	**$**	**99,432**	**$**	**51,781**	**$**	**151,213**
DEPRECIATION						
Balance at 1 April 2015	$	29,892	$	48,947	$	78,839
Depreciation for the year		883		2,834		3,717
Balance at 31 March 2016	$	30,775	$	51,781	$	82,556
Balance at 1 April 2016	**$**	**30,775**	**$**	**51,781**	**$**	**82,556**
Depreciation for the period		**996**		**-**		**996**
Balance at 30 June 2016	**$**	**31,771**	**$**	**51,781**	**$**	**83,552**
CARRYING AMOUNTS						
At 1 April 2015	$	22,945	$	2,807	$	25,752
At 31 March 2016	$	63,051	$	-	$	63,051
At 30 June 2016	**$**	**67,661**	**$**	**-**	**$**	**67,661**

Equipment and intangible assets are stated, in the statement of financial position, at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any recognized impairment loss. Depreciation of these assets commences when the assets are ready for their intended use. The cost of equipment and intangible assets include directly attributed incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of the asset using the straight line method over the estimate useful lives as follows:

Equipment	3-5 years
Patents	3-20 years

9) Other assets

Other assets represents the cumulative legal fees incurred by the Company on patent application processes that are currently ongoing. The Company's management believes that these applications will lead to the issuance of a legal patent, and therefore has capitalized the costs associated with this process. Once a particular patent application process completes, the costs associated with the newly issued patent will be reclassified to intangible assets and amortized over its useful life.

Activity in the other assets account is summarized below:

OTHER ASSET ACTIVITY		**30 June 2016**		30 June 2015
Balance – beginning of period	**$**	**40,113**	$	46,760
Additions		**2,551**		5,891
Transferred to patents		**(5,606)**		-
Balance – end of period	**$**	**37,058**	$	52,561

10) Share capital

a) Authorized

Unlimited common shares without par value.

b) Issued or allotted and fully paid

On 26 June 2015 the Company closed a brokered private placement of 6,280,833 units ("Units") at a price of $0.30 per Unit for gross proceeds of $1,884,250. Each Unit consists of one common share (a "share") and one half common share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one additional Share (a "Warrant Share") for a period of 36 months at a price of $0.45 per Warrant Share, subject to accelerated expiry in certain circumstances.

In connection with the private placement, the Company paid $113,055 in commission, a corporate finance fee of $25,000, and issued an aggregate of 376,850 agent's options exercisable to purchase common shares at $0.30 per share until 26 June 2017.

c) Summary of stock option activity

The Company has adopted a stock option plan ("the Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferrable options to purchase common shares exercisable under the Plan for a period of up to 5 years from the date of grant. Vesting terms are determined by the Board of Directors for each grant of options. The aggregate number of common shares issuable under the Plan must not exceed 6,637,537 common shares of the Company at any time.

Stock option transactions and the number of stock options outstanding are summarized below:

STOCK OPTION ACTIVITY	**30 June 2016**		**Weighted average exercise price**	31 March 2016		Weighted average exercise price
Balance – beginning of period	**3,368,192**	**$**	**0.33**	3,398,192	$	0.34
Granted	**-**		**-**	150,000		0.30
Expired	**(450,000)**		**0.39**	(180,000)		0.36
Balance – end of period	**2,918,192**	**$**	**0.32**	3,368,192	$	0.33

Details of stock options outstanding as at 30 June 2016 are as follows

Expiry Date	Options vested and exercisable		Exercise price	**30 June 2016**	31 March 2016
3 November 2016	1,028,192	$	0.30	**1,028,192**	1,028,192
5 December 2016	105,000	$	0.35	**105,000**	105,000
31 January 2017	350,000	$	0.31	**350,000**	350,000
12 September 2017	250,000	$	0.32	**250,000**	250,000
16 April 2018	265,000	$	0.32	**265,000**	265,000
10 September 2018	50,000	$	0.36	**50,000**	50,000
11 February 2019	390,000	$	0.37	**390,000**	390,000
4 June 2019	450,000	$	0.40	**-**	450,000
15 September 2019	280,000	$	0.38	**280,000**	280,000
20 January 2020	25,000	$	0.23	**25,000**	25,000
24 February 2020	25,000	$	0.31	**25,000**	25,000
16 October 2015	150,000	$	0.30	**150,000**	150,000
	3,368,192			**2,918,192**	3,368,192

The outstanding options have a weighted average exercise price of $0.32 (31 March 2016 - $0.34) and the weighted average remaining life of the options is 2.06 years (31 March 2016 – 2.81 years). The vested and exercisable options as at 30 June 2016 have a weighted average exercise price of $0.32 (31 March 2016 - $0.33).

d) Warrants

Warrant activity during the period is summarized as follows:

WARRANT ACTIVITY	30 June 2016[(i)]	Weighted Average exercise price	31 March 2016[(i)]	Weighted Average exercise price
Balance – beginning of period	**3,517,266**	**$ 0.43**	3,632,050	$ 0.50
Issued	-	-	3,140,416	0.45
Agent's warrants issued[(ii)]	-	-	376,850	0.30
Warrants expired	-	-	(3,632,050)	0.50
Balance – end of period	**3,517,266**	**$ 0.43**	3,517,266	$ 0.43

(i) The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise of the warrants.
(ii) During the period ended 30 June 2016, the Company issued no agent's warrants (31 March 2016 – 376,850) with a fair value of $nil (31 March 2016 – $34,000).

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted during the period:

	30 June 2016	31 March 2016
Risk free interest rate	-	0.60%
Expected dividend yield	-	0.00%
Expected stock price volatility	-	54%
Expected life in years	-	2.00

The Company uses its historical price volatility and the volatility used by companies with comparable operations as the basis for determining the expected volatility used in its Black-Scholes calculations. The weighted average fair value of agents warrants granted in the period was $nil per share (31 March 2016 - $0.09 per share).

Details of warrants outstanding as at 30 June 2016 are as follows:

Issued	Expiry	Exercise Price	30 June 2016	31 March 2016
26 June 2015	26 June 2018	$ 0.45	**3,410,416**	3,410,416
26 June 2015	26 June 2017[(i)]	$ 0.30	**376,850**	376,850
			3,517,266	3,517,266

(i) Agent's warrants.

e) Stock-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rates and expected life of the options.

During the period ended 30 June 2016, the Company recognized $3,603 (31 March 2016 - $23,894) of share-based compensation expense on the vesting of previously granted options. No options were granted during the period ended 30 June 2016. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	30 June 2016	31 March 2016
Risk free interest rate	**N/A**	0.82%
Expected dividend yield	**N/A**	0.00%
Expected stock price volatility	**N/A**	49%
Expected life in years	**N/A**	5.00

The weighted average fair value of stock options granted in the period was $nil (31 March 2016 - $0.15 per share).

11) Related party transactions

Related party transactions and balances not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period[(i)]	Remuneration or fees[(ii)]	Included in Accounts Payable
CEO – management fees	**2017**	**30,000**	**22,000**
	2016	25,000	-
Associate counsel – legal services	**2017**	**8,500**	**2,000**
	2016	19,000	7,000
Clearline Chartered Accountants, a company of which the CFO is a director – management fees	**2017**	**15,000**	**15,000**
	2016	9,500	6,000
A company of which the CFO is a director – bookkeeping services	**2017**	**6,000**	**6,000**
	2016	16,000	-

(i) For the three months ended 30 June 2016 (fiscal 2017) and 30 June 2015 (fiscal 2016).

(ii) Amounts disclosed were paid or accrued to the related party.

Share-based compensation awarded to directors and officers during the three month period ended 30 June 2016 totalled $240 (30 June 2015 - $558).

These expenses were incurred in the normal course of operations and have been measured at the exchange amount, which is determined on a cost recovery basis.

12) Segmented disclosure

The Company operates in one reportable operating segment, being the development, manufacturing and marketing of Production Measurement and Control systems ("PMC™") for the solar wafer, cell and panel manufacturing industry. All assets are held in Canada.

The Company is exposed to significant sales concentration. For the period ended 30 June 2016, one customer accounted for greater then 90% of revenues and one customer accounting for the difference (during 2016 two customers accounted for 90% of revenues and one accounted for the remaining 10% of revenues).

13) Commitments

In March 2016, the Company renewed the lease for its head office for a 12 month period, for a total contractual obligation of $22,976.

14) Subsequent event

In July 2016, the Company announced that it closed a non-brokered private placement of 5,175,167 units at a price of $0.15 per unit for gross proceeds of $776,275. Each unit will consist of one common share and one purchase warrant, with each warrant entitling the holder to purchase one additional share for a period of 24 months at a price of $0.25 per warrant share.

The Company paid a finder's fee consisting of a cash fee of 7% and 221,795 finders' warrants..