

RSI INTERNATIONAL SYSTEMS INC.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2015

(Unaudited)

(In Canadian Dollars)

RSI INTERNATIONAL SYSTEMS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)

	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current			
Cash & Cash Equivalents		\$ 1,275,619	\$ 1,269,787
Accounts Receivable, net of allowance	4	243,942	202,284
Prepaid Expenses	5	97,838	21,584
		1,617,399	1,493,655
Long-Term Prepaid Expenses	5	47,994	47,994
Equipment	6	35,453	16,944
Deferred Development Costs	7	192,348	245,366
		\$ 1,893,194	\$ 1,803,959
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts Payable & Accrued Liabilities		\$ 284,298	\$ 373,826
GST Payable		22,795	17,424
Current Portion of Deferred Revenue	8	397,399	222,812
		704,492	614,062
Deferred Revenue	8	16,799	26,509
		721,291	640,571
Shareholders' Equity			
Share Capital	9	5,064,862	4,944,564
Shares to be Issued	9	-	67,500
Share Subscription Receivable	9	-	(10,492)
Contributed Surplus		338,854	338,854
Deficit		(4,231,813)	(4,177,038)
		1,171,903	1,163,388
		\$ 1,893,194	\$ 1,803,959

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

RSI INTERNATIONAL SYSTEMS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS
(Unaudited, in Canadian dollars)

	Notes	Three months ended		Nine months ended	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
REVENUES		\$ 1,282,066	\$ 875,643	\$ 3,386,067	\$ 2,408,651
COST OF SALES		219,389	93,727	518,319	369,685
GROSS PROFIT		1,062,677	781,916	2,867,748	2,038,966
EXPENSES					
Amortization of Equipment	6	3,555	1,873	9,318	4,790
Amortization of Deferred Development Costs	7	23,788	22,852	71,364	76,478
Amortization of Intangible Assets		-	1,467	-	5,867
Bad Debt	4	6,931	6,675	12,087	8,285
Business Development and Travel		41,256	20,166	150,018	143,826
Consulting Fees		-	10,500	-	31,500
Filing and Transfer Agent Fees		4,516	4,329	13,904	24,235
Foreign Exchange (Gain) Loss		9,172	(10,251)	(356,195)	51,143
Internet and Networking		13,502	19,401	45,818	57,771
Interests and Bank Charges		9,685	10,953	36,341	30,353
Marketing		96,215	36,956	184,654	85,830
Office and Miscellaneous		20,933	8,842	51,020	34,537
Professional Fees		81,009	14,380	125,434	76,525
Rent and Utilities		41,682	39,955	121,819	97,539
Salaries and Benefits		793,988	656,709	2,441,998	1,726,522
Software Licenses		2,570	6,616	14,943	35,401
Stock-Based Compensation		-	-	-	124,500
Write-down of Deferred Development Costs and Intangible Assets		-	183,924	-	183,924
		1,148,802	1,035,347	2,922,523	2,799,026
NET AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		\$ (86,125)	\$ (253,431)	\$ (54,775)	\$ (760,060)
Earnings (Loss) Per Share - Basic and Diluted		\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.04)
Weighted average number of shares outstanding – basic		31,303,692	18,618,913	30,859,369	18,076,056
– diluted		32,050,751	18,863,102	31,606,428	18,320,245

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RSI INTERNATIONAL SYSTEMS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, in Canadian dollars, except share number)

	Notes	Issued Common Shares			Allotted Common Shares		Shares to be Issued	Contributed Surplus	Deficit	Total Equity	
		Number	Amount Received	Amount Receivable	Subscription Amount Received	Number					Amount
			\$	\$	\$		\$	\$	\$	\$	
BALANCE, DECEMBER 31, 2013		17,804,627	3,427,049	(84,000)	-	250,000	5,572	-	246,282	(3,124,050)	470,853
Shares issued for acquisition payment	3	250,000	37,500	-	-	(250,000)	(5,572)	-	(31,928)	-	-
Collection of amount receivable for private placement		-	-	84,000	-	-	-	-	-	-	84,000
Amount received for subscription to private placement	9	-	-	-	450,700	-	-	-	-	-	450,700
Shares issued for exercise of warrants	9	450,000	67,500	-	-	-	-	-	-	-	67,500
Share-based payments	9	-	-	-	-	-	-	-	124,500	-	124,500
Net and comprehensive loss for the period		-	-	-	-	-	-	-	-	(760,060)	(760,060)
BALANCE, SEPTEMBER 30, 2014		18,504,627	3,532,049	-	450,700	-	-	-	338,854	(3,884,110)	437,493
Shares issued for private placement		12,049,999	1,432,500	(10,492)	(450,700)	-	-	-	-	-	971,308
Shares to be issued		-	-	-	-	-	-	67,500	-	-	67,500
Share issuance costs		-	(19,985)	-	-	-	-	-	-	-	(19,985)
Net and comprehensive loss for the period		-	-	-	-	-	-	-	-	(292,928)	(292,928)
BALANCE, DECEMBER 31, 2014		30,554,626	4,944,564	(10,492)	-	-	-	67,500	338,854	(4,177,038)	1,163,388
Cancellation of share subscription receivable		-	(1,202)	-	-	-	-	-	-	-	(1,202)
Collection of amount receivable for private placement		-	-	10,492	-	-	-	-	-	-	10,492
Shares issued upon exercise of options		450,000	51,000	-	-	-	-	-	-	-	51,000
Shares issued upon exercise of warrants		470,000	70,500	-	-	-	-	(67,500)	-	-	3,000
Net and comprehensive loss for the period		-	-	-	-	-	-	-	-	(54,775)	(54,775)
BALANCE, SEPTEMBER 30, 2015		31,474,626	5,064,862	-	-	-	-	-	338,854	(4,231,813)	1,171,903

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

RSI INTERNATIONAL SYSTEMS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, in Canadian dollars)

	Three months ended		Nine months ended		
	Notes	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Loss for the Period		\$ (86,125)	\$ (253,431)	\$ (54,775)	\$ (760,060)
Items not Affecting Cash:					
Amortization of Equipment		3,555	1,873	9,318	4,790
Amortization of Deferred Development Costs		23,788	22,852	71,364	76,478
Amortization of Intangible Assets		-	1,467	-	5,867
Bad Debt		6,931	6,675	12,087	8,285
Stock-Based Compensation		-	-	-	124,500
Write-down of Deferred Development Costs and Intangible Assets		-	183,924	-	183,924
		(51,851)	(36,640)	37,994	(356,216)
Changes in Non-Cash Working Capital Items:					
(Increase) Decrease in Accounts Receivable		115,478	(32,873)	(53,745)	(168,635)
(Increase) Decrease in Prepaid Expenses		18,947	(22,023)	(76,254)	(51,663)
Decrease in Accounts Payable and Accrued Liabilities		(79,740)	(180,906)	(89,528)	(23,156)
Increase in GST Payable		5,460	-	5,371	-
Increase in Deferred Revenue		35,878	39,422	164,877	214,811
Net Cash Provided by (Used in) Operating Activities		44,172	(233,020)	(11,285)	(384,859)
Cash paid during the period for interests		-	3,204	-	30,353
		44,172	(229,816)	(11,285)	(354,506)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of Equipment		(9,600)	-	(27,827)	(10,222)
Deferred Development Costs		(15,971)	-	(18,346)	(85,590)
Net Cash Used in Investing Activities		(25,571)	-	(46,173)	(95,812)
CASH FLOWS FROM FINANCING ACTIVITIES					
Borrowing (Repayment) of Loan Payable and Operating Line of Credit		-	(100,000)	-	(97,367)
Collection of Subscription Receivable		-	-	9,290	84,000
Exercise of Warrants		1,125	67,500	3,000	67,500
Exercise of Options		51,000	-	51,000	-
Subscription to Private Placement		-	450,700	-	450,700
Net Cash Provided by Financing Activities		52,125	418,200	63,290	504,833
Change in Cash during the Period		70,726	188,384	5,832	54,515
Cash and Cash Equivalents, Beginning of Period		1,204,893	45,541	1,269,787	179,410
Cash and Cash Equivalents, End of Period		\$ 1,275,619	\$ 233,925	\$ 1,275,619	\$ 233,925

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

RSI INTERNATIONAL SYSTEMS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

(Unaudited, in Canadian dollars)

1. NATURE OF OPERATIONS

RSI International Systems Inc. (“RSI” or the “Company”) is a publicly listed company incorporated under the laws of British Columbia, Canada. The address of the Company’s head and registered office is 402 – 134 Abbott Street, Vancouver, BC V6B 2K4. The condensed consolidated interim financial statements of the Company as at and for the period ended September 30, 2015 include the Company and its subsidiary (together referred to as the “Group”). The Group is in the business of providing an integrated web-based real-time reservation and property management system to the hotel and resort industries, as well as web design and e-marketing.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 19, 2015.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended December 31, 2014 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Preparation

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting except cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements. Prior year comparative amounts have been reclassified to conform to presentation in the current period.

RSI INTERNATIONAL SYSTEMS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

(Unaudited, in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Significant Accounting Judgments and Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2014.

Significant Accounting Policies

The Company's accounting policies applied to all periods presented in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2014.

3. BUSINESS ACQUISITION

On April 19, 2011, the Company signed an asset acquisition agreement with Veratta Technology Inc. ("Veratta"), a privately held company incorporated in British Columbia, to acquire 100% of the net assets of Veratta. This transaction, in substance, is a business acquisition under IFRS 3. The Company incorporated a new wholly owned company, Veratta Technologies (2011) Inc. ("Veratta-2011"), incorporated in British Columbia, and the net assets acquired were owned and recognized in Veratta-2011 upon acquisition.

This acquisition has been accounted for using the acquisition method on April 19, 2011 as required by IFRS 3 *Business Combinations*, whereby the assets acquired and the liabilities assumed were recorded at their fair value. The Company assessed the fair value of the net assets acquired based on management's best estimate of market value with the assistance of external valuation specialists, which takes into consideration the condition of the assets acquired, current industry conditions and the discounted future cash flows expected to be received from the assets as well as the amount it expected to cost to settle the outstanding liabilities.

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

*(Unaudited, in Canadian dollars)***3. BUSINESS ACQUISITION (Continued)**

The Company paid a total of \$30,000 in cash and issued 800,000 common shares as consideration for the acquisition; of which 300,000 common shares were issued at acquisition date, 250,000 common shares were issued in 2013, and another 250,000 common shares were issued during the nine-month period ended September 30, 2014 when the revenue targets had been met. A total of \$48,304, being the difference between the fair value of 500,000 common shares measured at the issuance dates and acquisition date, was recorded in contributed surplus.

4. ACCOUNTS RECEIVABLE AND LONG-TERM RECEIVABLES

The aging analysis of accounts receivable is as follows:

	Total	Current	31 - 60 Days	60 - 90 Days	> 90 Days
September 30, 2015	\$ 243,942	\$ 157,590	\$ 24,066	\$ 32,534	\$ 29,752
December 31, 2014	\$ 202,284	\$ 36,499	\$ 124,108	\$ 6,414	\$ 35,263

As at September 30, 2015, accounts receivable of an initial value of \$17,079 (December 31, 2014 - \$26,750) were impaired and fully provided for allowance. See below for the movements in the provision for impairment of receivables.

	\$
As of December 31, 2013	262
Charge for the year	51,251
Utilized	(24,763)
As of December 31, 2014	26,750
Charge for the period	12,087
Utilized	(21,758)
As of September 30, 2015	17,079

5. PREPAID EXPENSES AND LONG-TERM PREPAID EXPENSES

Prepaid expense balances represent trade-show deposits and advances paid to suppliers for services to be rendered in the fiscal years 2016 and 2015.

Long-term prepaid expense represents rental deposits paid to the landlords in relation to the office lease agreements for its premises, including deposits related to sub-leased premises. The deposits are classified as long-term assets since the leases mature beyond December 31, 2015.

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

*(Unaudited, in Canadian dollars)***6. EQUIPMENT**

Cost	Computer Equipment	Computer Software	Office Equipment	Leasehold Improvements	Total
December 31, 2013	\$ 131,486	\$ 64,286	\$ 12,123	\$ 5,415	\$ 213,310
Additions	6,950	-	8,695	-	15,645
Disposals	-	-	-	-	-
December 31, 2014	138,436	64,286	20,818	5,415	228,955
Additions	12,640	-	15,187	-	27,827
Disposals	-	-	-	-	-
September 30, 2015	\$ 151,076	\$ 64,286	\$ 36,005	\$ 5,415	\$ 256,782

Accumulated Amortization	Computer Equipment	Computer Software	Office Equipment	Leasehold Improvements	Total
December 31, 2013	\$ 130,745	\$ 64,286	\$ 4,665	\$ 5,415	\$ 205,111
Additions	2,095	-	4,805	-	6,900
Disposals	-	-	-	-	-
December 31, 2014	132,840	64,286	9,470	5,415	212,011
Additions	2,986	-	6,332	-	9,318
Disposals	-	-	-	-	-
September 30, 2015	\$ 135,826	\$ 64,286	\$ 15,802	\$ 5,415	\$ 221,329

Carrying Amounts	Computer Equipment	Computer Software	Office Equipment	Leasehold Improvements	Total
December 31, 2014	\$ 5,596	\$ -	\$ 11,348	\$ -	\$ 16,944
September 30, 2015	\$ 15,250	\$ -	\$ 20,203	\$ -	\$ 35,453

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

*(Unaudited, in Canadian dollars)***7. DEFERRED DEVELOPMENT COSTS**

During 2014 the Company wrote off \$168,891 of Insight Web project due to a change in technology and the direction of development which rendered a portion of the previous work to be obsolete. Development costs related to X-Key and PCI compliance were also written off in 2014 as the technology will not be utilized in future versions of RoomKey PMS. In Q2 2015, the Company commenced work on a new project, RoomKey Web, to provide a more flexible platform for integration with partner products and customer reporting.

Cost	Vending Machine	Xkey	PCI Compliance	Insight	Insight Web	Loyalty	Roomkey Web	Total
December 31, 2013	\$ 75,900	\$ 423,586	\$ 73,839	\$ 220,910	\$ 221,484	\$ 9,000	-	\$ 1,024,719
Additions	-	-	-	-	85,590	-	-	85,590
December 31, 2014	75,900	423,586	73,839	220,910	307,074	9,000	-	1,110,309
Additions	-	-	-	-	-	-	18,346	18,346
September 30, 2015	\$ 75,900	\$ 423,586	\$ 73,839	\$ 220,910	\$ 307,074	\$ 9,000	\$ 18,346	\$ 1,128,655

Accumulated Amortization	Vending Machine	Xkey	PCI Compliance	Insight	Insight Web	Loyalty	Roomkey Web	Total
December 31, 2013	\$ 75,900	\$ 262,797	\$ 57,479	\$ 73,637	\$ -	\$ -	\$ -	\$ 469,813
Additions	-	35,681	4,079	49,090	-	-	-	88,850
Disposals	-	125,108	12,281	-	168,891	-	-	306,280
December 31, 2014	75,900	423,586	73,839	122,727	168,891	-	-	864,943
Additions	-	-	-	36,819	34,545	-	-	71,364
September 30, 2015	\$ 75,900	\$ 423,586	\$ 73,839	\$ 159,546	\$ 203,436	\$ -	\$ -	\$ 936,307

Carrying Amounts	Vending Machine	Xkey	PCI Compliance	Insight	Insight Web	Loyalty	Roomkey Web	Total
December 31, 2014	\$ -	\$ -	\$ -	\$ 98,183	\$ 138,183	\$ 9,000	\$ -	\$ 245,366
September 30, 2015	\$ -	\$ -	\$ -	\$ 61,364	\$ 103,638	\$ 9,000	\$ 18,346	\$ 192,348

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

(Unaudited, in Canadian dollars)

8. DEFERRED REVENUE AND CUSTOMER ADVANCES

Deferred revenue consists of pre-billed services, license fees, subscription fees and web design fees as follows:

	September 30, 2015	December 31, 2014
Deferred revenue	\$ 414,198	\$ 249,321
Current portion	(397,399)	(222,812)
Long-term portion	\$ 16,799	\$ 26,509

At September 30, 2015, 85% (December 31, 2014 – 81%) of deferred revenue was denominated in US dollars, with the remaining 15% (December 31, 2014 – 19%) in Canadian dollars.

Deferred revenues are recognized in revenue when the service is provided.

9. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Escrow Shares

As at September 30, 2015, the Company has no escrow shares.

Private Placement

On October 24, 2014, The Company announced the completion of its private placement, issuing 12,499,999 units at \$0.12 per unit for a total gross proceeds of \$1,500,000, net of \$19,985 issuance costs. Each unit is comprised of one common share and one-half of a share purchase warrant, with a whole warrant entitling the holder to purchase an additional common share at a price of \$0.25 for a period of two years, expiring on October 21, 2016.

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

*(Unaudited, in Canadian dollars)***9. SHARE CAPITAL (Continued)****Stock Options**

There were no options granted in the nine month period ended September 30, 2015.

A summary of the Company's stock options as at September 30, 2015 and December 31, 2014 is as follows:

	Number of Shares	Weighted Average Exercise Price
Options outstanding as at December 31, 2013	850,000	\$ 0.10
Granted	1,350,000	\$ 0.12
Options outstanding as at December 31, 2014	2,200,000	\$ 0.11
Exercised	(450,000)	\$ 0.10
Options outstanding as at September 30, 2015	1,750,000	\$ 0.11

The weighted average remaining contractual life of the outstanding stock options at September 30, 2015 is 3.08 years (December 31, 2014 – 3.58 years).

Date Issued	Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in Years)
March 27, 2012	700,000	\$ 0.10	March 27, 2017	1.74
May 27, 2014	1,050,000	\$ 0.12	May 27, 2019	3.91
	1,750,000	\$ 0.11		3.08

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

*(Unaudited, in Canadian dollars)***9. SHARE CAPITAL (Continued)****Warrants**

A summary of the Company's warrants as at September 30, 2015 and December 31, 2014 are as follows:

	Number of Shares		Weighted Average Exercise Price
Warrants outstanding as at December 31, 2013	1,250,000	\$	0.15
Exercised	*(450,000)	\$	0.15
Issued September 2, 2014	6,250,000	\$	0.25
Warrants outstanding as at December 31, 2014	7,050,000	\$	0.24
Exercised	(20,000)	\$	0.15
Cancelled	(5,000)	\$	0.12
Warrants outstanding as at September 30, 2015	7,025,000	\$	0.24

* Warrants were exercised during 2014 and the shares were issued during Q2 2015.

The weighted average remaining contractual life of the outstanding warrants at September 30, 2015 and December 31, 2014 is as follows:

Date Issued	Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in Years)
December 30, 2013	800,000	\$ 0.15	December 30, 2015	0.50
October 21, 2014	6,250,000	\$ 0.25	October 21, 2016	1.25
Warrants outstanding as at December 31, 2014	7,050,000			1.66
December 30, 2013	780,000	\$ 0.15	December 30, 2015	0.25
October 21, 2014	6,245,000	\$ 0.25	October 21, 2016	1.00
Warrants outstanding as at September 30, 2015	7,025,000			0.92

RSI INTERNATIONAL SYSTEMS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

(Unaudited, in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

Related party transactions not otherwise disclosed in these consolidated financial statements are as follows:

1. Consulting fee of \$nil (September 30, 2014 - \$31,500) was paid to a director of the Company.
2. Director fee of \$9,000 (September 30, 2014 - \$9,000) was paid to a director of the Company.
3. Employee benefits of \$572,388 (September 30, 2014 - \$403,318) were paid to key management personnel. No amounts were paid to key management personnel (Q3 2014 - \$nil) in respect of post-employment benefits, long-term benefits, termination payments or share based payments.

Included in accounts payable and accrued liabilities at September 30, 2015 is \$9,881 (December 31, 2014 – \$3,513) receivable from directors.

These transactions are in the normal course of the operations on normal commercial terms and conditions and at market rates, which is the amount of consideration established and agreed to by the related parties.

11. SEGMENTED DISCLOSURE

A geographical breakdown of sales to customers is as follows:

	Nine Months Ending		Nine Months Ending	
	September 30, 2015	%	September 30, 2014	%
Canada	\$ 677,214	20%	\$ 628,234	26%
USA	2,234,804	66%	1,543,700	64%
Other	474,049	14%	236,716	10%
Total	\$ 3,386,067	100%	\$ 2,408,650	100%

All of the Company's non-current assets are located in Canada.