

GREEN LAKE METIS FARMS LTD.

Financial Statements

Year Ended December 31, 2016

Pliska Vidal & Co.

Pliska Vidal & Co.

Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Green Lake Metis Farms Ltd.

We have audited the accompanying financial statements of Green Lake Metis Farms Ltd., which comprise the balance sheet as at December 31, 2016, and the statements of income and retained earnings and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Green Lake Metis Farms Ltd. as at December 31, 2016, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Pliska Vidal & Co.

Meadow Lake , Saskatchewan
March 15, 2017

GREEN LAKE METIS FARMS LTD.

Balance Sheet

December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 531,133	\$ 472,127
Accounts receivable	11,012	8,763
	542,145	480,890
CAPITAL ASSETS (Note 3)	90,579	124,881
EQUITY IN CO-OPERATIVE	100	100
	\$ 632,824	\$ 605,871
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,214	\$ 8,679
Due to related parties (Note 6)	8,629	1,647
Current portion of long term debt (Note 5)	12,633	12,396
	29,476	22,722
LONG TERM DEBT (Note 5)	32,590	45,262
	62,066	67,984
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 7)	100	100
RETAINED EARNINGS	570,658	537,787
	570,758	537,887
	\$ 632,824	\$ 605,871

ON BEHALF OF THE BOARD

_____ Director

_____ Director

GREEN LAKE METIS FARMS LTD.
Statement of Income and Retained Earnings
Year Ended December 31, 2016

	2016	2015
REVENUE		
Cattle sales	\$ -	\$ 9,345
Forage sales	49,512	38,506
Pasture fees	154,757	159,185
Rent	16,666	17,180
Other income	10,218	1,598
Inventory adjustment	-	(45,328)
	<u>231,153</u>	180,486
EXPENSES <i>(Schedule 1)</i>	<u>198,282</u>	173,895
NET INCOME FOR THE YEAR	32,871	6,591
RETAINED EARNINGS - BEGINNING OF YEAR	<u>537,787</u>	531,196
RETAINED EARNINGS - END OF YEAR	<u>\$ 570,658</u>	<u>\$ 537,787</u>

GREEN LAKE METIS FARMS LTD.**Statement of Cash Flow****Year Ended December 31, 2016**

	2016	2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 32,871	\$ 6,591
Item not affecting cash:		
Amortization of capital assets	33,929	23,030
	66,800	29,621
Changes in non-cash working capital (<i>Note 8</i>)	4,268	4,581
	71,068	34,202
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	7,200	5,300
Purchase of capital assets	(6,827)	(131,903)
	373	(126,603)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Repayment of long term debt	(12,435)	(6,129)
Proceeds from long term financing	-	63,787
	(12,435)	57,658
INCREASE (DECREASE) IN CASH	59,006	(34,743)
Cash - beginning of year	472,127	506,870
CASH - END OF YEAR	\$ 531,133	\$ 472,127

GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2016

1. DESCRIPTION OF BUSINESS

Green Lake Metis Farms Ltd. is incorporated under the Business Corporations Act of Saskatchewan. The company's principal business activity is the operation of a ranch.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are stated at cost. Amortization is recorded on the diminishing balance method at the following rates, except in the year of acquisition when one half of the rate is used:

Equipment	20%/45%
Automotive	30%

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Equipment	\$ 26,810	\$ -	\$ 26,810	\$ 32,583
Automotive	234,126	170,357	63,769	92,298
	<u>\$ 260,936</u>	<u>\$ 170,357</u>	<u>\$ 90,579</u>	<u>\$ 124,881</u>

4. BANK INDEBTEDNESS

The company has an approved operating line of credit of \$50,000. It is secured by a general security agreement and an assignment of inventory. It is due on demand and interest is at prime + 3%. As at December 31, 2016 none of the line of credit was being utilized.

5. LONG TERM DEBT

	2016	2015
CNH Industrial Capital loan bearing interest at 1.9% per annum, repayable in annual blended payments of \$6,717. The loan matures on April 21, 2020 and is secured by New Holland tractor and loader.	\$ 45,223	\$ 57,658
Less current portion	<u>(12,633)</u>	<u>(12,396)</u>
	<u>\$ 32,590</u>	<u>\$ 45,262</u>

6. DUE TO RELATED PARTIES

Current portion due to related party Northern Village of Green Lake	<u>\$ 8,629</u>	<u>\$ 1,647</u>
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GREEN LAKE METIS FARMS LTD.
Notes to Financial Statements
Year Ended December 31, 2016

7. SHARE CAPITAL

	<u>2016</u>	<u>2015</u>
Issued:		
100 Class A shares	<u>\$ 100</u>	<u>\$ 100</u>

8. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ (2,249)	\$ 15,447
Inventory	-	45,328
Accounts payable and accrued liabilities	(465)	7,175
Due to related party	<u>6,982</u>	<u>(63,369)</u>
	<u>\$ 4,268</u>	<u>\$ 4,581</u>

GREEN LAKE METIS FARMS LTD.**Expenses****(Schedule 1)****Year Ended December 31, 2016**

	2016	2015
Advertising	\$ -	\$ 46
Amortization	33,929	23,030
Bad debts	790	3,092
Bank charges	348	348
Bookkeeping	15,600	15,600
Cattle sale commissions	-	199
Custom or contract work	-	2,250
Donations	2,265	1,575
Feed and seed	6,255	-
Fence repairs and maintenance	1,806	4,756
Freight and trucking	-	405
Fuel and oil	4,337	7,024
Honorariums	3,980	2,465
Insurance	7,114	6,986
Interest	529	238
Land rejuvenation	44,536	-
Lease fees	9,588	2,922
Licenses and memberships	52	50
Minerals and salts	47	178
Office expenses	800	194
Professional fees	3,098	3,098
Repairs and maintenance	8,827	35,437
Salaries and staff benefits	42,055	49,536
Small tools and supplies	1,471	3,035
Taxes	3,640	3,640
Travel	100	1,523
Utilities and telephone	6,685	6,238
Veterinary and breeding fees	430	30
	\$ 198,282	\$ 173,895